India

FOR THE

No. 27. New Series.
No. 121. Old Series.

WEEK ENDING FRIDAY, JULY 8, 1898.

Registered as a Newspaper. Price...... 2d. By Post, 2½d.

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NOTES AND NEWS.

THE new Loan Bill has, of course, gone through. Lord Onslow, who had the easy task of piloting it through the Lords, repeated the well-worn platitudes of official recommendation. He sounded the praises of railway building, without the slightest attempt to show that any of the contemplated lines could not wait for better times. His advocacy of increased means of communication as a relief to the "rapidly increasing population of India" was in the stereotyped official manner, and passed down like melted butter; the essential validity of the argument did not matter in the least. No doubt "the relief of distress in the recent famine was greatly facilitated by improved means of transport by rail"; but that does not go far to prove the necessity of new constructions. Lord Onslow said, it may be truly enough, that it was not intended to add to the existing debt more than the £2,615,000 for railways. Still, it will be useful to watch whether or not the intention gets realised. We know something already about such intentions. Lord Kimberley, we observe, said ditto to Lord Onslow.

There has been passing round freely in Calcutta a story that claims very particular attention in England. Mr. Chalmers stated, in his place in the Viceroy's Council, that he had not taken the trouble to read the memorial addressed to him by the Calcutta Bar on the Sedition legislation lately pending. Everybody else regarded that memorial as exceptionally weighty and important; and Mr. Chalmers was naturally questioned as to his reason for ignoring it in so cavalier a fashion, especially as he was a barrister himself, and might have been expected to appreciate its value. Mr. Chalmers is said to have answered that he placed no weight upon the memorial because the Calcutta Bar had presented it "to please their Native clients." If it be true that Mr. Chalmers said this, then it is a gross insult to the gentlemen of the Calcutta Bar who signed the memorial, and it proves Mr. Chalmers's unfitness for the position he holds. The matter must not rest where it stands. There must be a Parliamentary explanation; and the sooner the better for the reputation of all parties concerned.

Lord George Hamilton's "India Office Superlatives" have bristled every quill of the *Pioneer*. "The Secretary of State's remarks on Indian finance and Indian administration generally," says our contemporary, "are couched in a vein of extravagant optimism." This is hard measure from a friend, surely. As to the flourish of twenty years of prosperity, "even if the taxes now existing were the same as those existing in 1878, the suggestion that the finances of the country are as healthy now as they were then will not bear a moment's examination." Again, "the Imperial Budget, as is notorious, has of late years been balanced only by extorting benevolences from the provinces at the expense of good administration." The compulsory niggardliness of the Government is held up to grave censure and even to contempt. Further, as to Lord George Hamilton's statement that Lord Elgin would bequeath to his successor a sound system of finance, "if the term finance were to include currency, this observation is ridiculous." Finally, for fair weather purposes, Lord Elgin has done very well; but there has been pretty foul weather, and—"if the Secretary of State and the British public go away from a survey of the last five years with the idea that experiments of this kind can be tried with impunity, they will miss the main lesson of Lord Elgin's rule." More power to the *Pioneer's* elbow.

The fulsome encomiums, indeed, showered on Lord Elgin's Indian administration by Lord George Hamilton in the House of Commons, are so wide of the truth (as others see it) that even the habitual supporters of the Government have been not a little shocked or amused. No one will accuse the *Pioneer* of being a rash or perverse critic of the Indian Government; but even the *Pioneer* is compelled to point out how Lord Elgin has been found wanting in experience, judgment, and foresight. Thus:—

> Had a statesman versed in public affairs been placed at the helm five years ago, we might not now be seeking a way out of difficulties into which a wrong turning in North-West frontier policy has landed us; we might be farther on the way towards a solution of the currency problem than the submission of proposals which have excited general ridicule; we should not have entered on a railway policy for which the resources of the country were inadequate; and we might by this time have come to form some settled and satisfactory plan as to how, in a country like India, such an emergency as the outbreak of plague ought to be treated.

The Simla correspondent of the *Times* acknowledges that the discussion of the Tirah campaign, so vigorously initiated by Mr. Thorburn, "has excited the greatest interest in India generally." He proceeds in the following remarkable strain:—

> Numerous articles in the English Press show that Sir James Westland's defence of the Government policy is rejected as quite inadequate, and that Mr. Thorburn really expressed public opinion regarding the abandonment of the Khyber. It is hoped now that Sir H. Fowler will press for an enquiry. This view is not confined to the unofficial classes, but is shared by many military and civil officers of the Government. When the full reports of the speeches reach England the public will be able to judge the strength of the indictment against the authorities responsible, more particularly in reference to the inaction which allowed the Khyber to be closed. The necessity for publishing all papers relating to the events of last August is now clearly established.

So far good. But why should "the necessity for publishing all papers" not have been regarded as "clearly established" though Mr. Thorburn had never said a word? The facts were known, and the opinion of everybody was beyond question. But the Simla group will not do the most obvious things without the compulsion of an outcry, not to say a scandal. Who is the scapegoat? Some dead man, probably.

Why should Sir E. H. Collen call Mr. Thorburn's speech "a somewhat inflammatory harangue"? Just because the ordinary official mind cannot bear anything that is of the nature of adverse criticism. Its motto is *quieta non movere*. Yet, we observe, this "inflammatory harangue" is now seen to have "really expressed public opinion"—an opinion "shared by many military and civil officers of the Government." We want a good few more of these "inflammatory harangues"; they would do the Government, as well as the country at large, a vast amount of good. They would singe away many a nasty cobweb, and prepare for the free circulation of a purer air in high places. General Collen, in fact, simply adopted the official tactics; an argument was needed, and he threw a disparaging expression. Simla is further agitated by the portentous question "whether both Mr. Thorburn and Sir James Westland did not infringe the rules forbidding Government servants to take part in political discussions at public meetings." We dare say the mercury is high, and the silly season is on. The acting Commander-in-Chief, too, Sir Charles Nairne, chivalrously defended the late General Yeatman-Biggs. We hope Sir William Lockhart will not challenge Sir Charles. The Frontier campaign is surely about over.

Lord George Hamilton declared in the House of Commons that Press censorship is prohibited by law in India. Nevertheless "Press Committees" have been formed in some places in India, and their formation has given rise to much alarm. Mr. Lamb, the District Magistrate, Poona, has explained the scope and object of the Poona Press Committee as follows:—

Government considered that the weekly abstract compiled by the reporter on the Native Press was lacking both in the rapidity and the closeness of scrutiny which it deemed desirable. It, therefore, instructed District Magistrates to themselves arrange for the careful observation of the newspapers published in their districts. The District Magistrate, not being able to undertake this duty personally, was empowered to form at headquarters a committee subject to his immediate control, consisting of three or five members, of whom the majority should be official, and the President should be the Huzur Deputy Collector or City Magistrate.

At Poona, the late Acting Collector, Mr. Bonus, accordingly constituted a committee of five comprising the City Magistrate as President, the City Mamlatdar, the City Police Inspector, and the two non-official gentlemen, who, in reply to his enquiries, expressed their willingness to serve on the Committee. The duty of the Committee is to bring to the notice of the District Magistrate anything appearing in any newspaper published in the District, which in the opinion of the committee is deserving of the attention of the District Magistrate. The Committee is available for use, if the District Magistrate thinks fit, as an intermediary between himself and the Press of his district.

We have only one or two remarks to make on this subject. In the first place, the definition of "disaffection" is widened by the new Sedition Law so as to make conviction under the *Penal Code* easier for that offence. In the second place, provision has been made in the *Criminal Procedure Code* to require security for good behaviour from editors of newspapers, and to send such editors to gaol with hard labour in default of such security, *although they may not have been proved guilty of disaffection or any other specific offence*. In the third place, we have these Press Committees, with police inspectors on the Committees, to examine newspapers with "the rapidity and the closeness of scrutiny" of which the Government reporter was found to be incapable! If the Government seek to cultivate "affection" in the people by these measures, they are mistaken. Of all the follies that the present Government has committed, this open distrust of the people is the worst.

The proof of the pudding is in the eating of it, and we hope Mr. Lamb, the District Magistrate of Poona, likes it. Mr. Lamb has been deeply engaged in correspondence and interviews with Mr. N. C. Kelkar, the editor of the *Mahratta*. On behalf of the Government of Bombay, he has explained to Mr. Kelkar that "the doctrine advanced in the article in question was a dangerous one"; and, moreover, that even the astute Mr. Kelkar had not divined correctly the motives of the Bombay Government, which were really so-and-so and not such-and-such. This is just the sort of drivel that we anticipated both parties would waste their time and temper upon. Let Mr. Kelkar describe an interview:—

Mr. Lamb travelled over a large field, and for nearly an hour we had to stand beneath the fire of the able cross-examination of the District Magistrate. How we fared under the battery we do not care to say. It is known to Mr. Lamb and to ourselves. The interview being deemed strictly private we cannot publish a full report or even a summary of it, especially as Mr. Lamb decidedly objects to our doing so. Our idea at the time was that explanations were apparently wanted from us for a number of alleged indiscreet things, and Mr. Lamb's way of addressing us during the interview led us to believe, rightly or wrongly, that we were then standing in the dock and that we had committed some very, very big crimes.

"Standing in the dock": that is the Editor's description of his feelings. How can Government imagine that this ridiculous game is worth the very expensive candle?

The British Indian Association of Calcutta has addressed a letter to the Bengal Government on the plague regulations. The Association points out that panic prevails in the town and the exodus continues, that trade has sustained a serious injury, and that more disastrous consequences are likely to ensue. The Western system of segregation, the Association holds, is unsuitable to the conditions of life in Calcutta, nor has the absolute necessity of such a system been established. And it insists that home segregation in a liberal form is the best solution to the difficult problem. This was pointed out to the Government in Poona and in Bombay twelve months ago. If British rule in India had been a little more attentive to the loyal representations of the people, and a little less swayed by such malignant influences as those of some Anglo-Indian papers, Indian administration would not have been so difficult a task as it is becoming day by day.

It is stated that the Poona Municipality has been declared liable for four hundred thousand rupees as its share of the plague expenditure up to June 1, 1898, and to this is added another hundred thousand as the estimated expenditure down to the time of the complete disappearance of the plague from the town. To us, it seems no less than cruelty to charge the cost of plague relief operations to the towns which have suffered so grievously from the epidemic. Will not some member of Parliament ask the House to direct that the whole, or some substantial portion, of this expenditure be met from the Imperial Exchequer of India? The plague is a national calamity, and the national exchequer should bear the cost of relief measures. To charge the cost to the towns which have suffered from the infliction would make a double hardship.

The Resolution of the Bombay Government on the recent Bombay riots indicates a return to a statesmanlike mood. The document bears no trace of panic, or of that vindictiveness which is the child of panic, as do so many recent Acts of the Bombay Government. The following passage is important:—

As regards the origin of these disturbances Mr. Vincent is strongly of opinion that they were in no sense the result of a preconceived arrangement, but were due to a sudden outbreak of hostility against the measures for the suppression of plague among one of the most ignorant and fanatical sections of the Mahometan community. . . . . Government, therefore, concurs with the view of the Commissioner of Police that the immediate outbreak had no other origin than the cause above alluded to, and that it was neither the result of a political agitation nor deliberately planned; that it should be directed against Europeans was not unnatural, as in the eyes of the original masses the European members of the community are identical with the authority that had imposed the obnoxious measures. While this appears to Government to be unhappily felt, they are glad to have observed that the leading representatives of all classes have exerted themselves to a remarkable degree in their successful endeavours to allay the excitement, and to remove misunderstanding.

We are informed that there were arrested in connexion with the riots 247 persons, of whom 205 have been convicted by Magistrates, and 14 by the Court of Session.

We deplore all acrid writing which tends to embitter feelings between race and race in India. As we have already indicated, the *Englishman* of Calcutta has not set a good example of late. It assumes to represent English interests in India, as the Indian papers professedly represent the interests of the people; but surely it is possible to advocate these different, and sometimes conflicting, interests without using language calculated to excite hatred and contempt against any section of her Majesty's Indian subjects. The animated and somewhat bitter controversy between the *Englishman* and the *Amrita Bazar Patrika* has just been concluded, and we should regret to see any more controversies in like tone. The *Madras Standard* touches the point when it urges that such writing in the Anglo-Indian Press has the effect of "setting class against class, and alienating the sympathies of Anglo-Indian rulers from the people whom they are sent out to look after." It certainly creates fresh difficulties for British administration in India, which in any case is sufficiently difficult already.

The private soldier charged with causing the death of an Indian, while out shooting near Fatehpur, and tried at Allahabad High Court, was acquitted. We thoroughly approved of the demand of the *Pioneer* that "the punishment for shooting without a pass ought to be made more drastic till it becomes deterrent." Now a General Order has been issued calling the attention of the district military authorities and of regimental officers to the matter, and admonishing them that such breaches of the regulations by non-commissioned officers and private soldiers must be severely punished. And we cordially agree with the *Pioneer* again when it says:—

This is as it should be. These shooting misadventures have most mischievous effects; they are not only a direct cause of irritation and resentment, but they give malcontents and agitators an opportunity which they never fail to turn to evil account.

The evils of legislating for the population of India from

remote hill stations to which favoured officials retire in the hot season was never better exemplified than in the case of the Tenancy Bill now before the Madras Council. No Bill could be conceived likely to affect the well-being of a larger portion of the population of the Province; and yet the Government persists in the policy of shaping this Bill at Utakamand. We learn from the *Hindu* that Mr. Bhasyam Iyengar, the Rájá of Bobbili, Mr. Jambulinga Mudaliar, and Mr. Ratna Sabha Pati Pillay are unable to remain at Utakamand; the representatives of the people are thus not to have a share in shaping the Bill affecting the interests of the people; and a Select Committee consisting almost entirely of officials will work at it. This method of procedure does not seem calculated to impress the Indian people with the care of their Governors for their interests.

Colonel Sir T. H. Holdich delivered a most instructive lecture to the Royal Geographical Society on June 20, on "Tirah," geographical, political, and social. He thinks "the fighting strength of the Afridi clans has been hitherto largely over-estimated," the basis being their own accounts. He bases his own opinion on "accurate measurement of their cultivable lands and an estimate of its capacity for supporting population." Agricultural and nomadic, the Afridis, he thinks, number no more than 25,000 men, women, and children; and this estimate "will not admit a larger contingent than 7,000 or 8,000 fighting men," which he takes to be "their full strength." The Afridis are "by far the most intelligent of all frontier tribesmen." "Our teaching has turned them into soldiers who not only know the use of their weapons, but who have shown that they possess that quality the want of which has been our great security amongst the fighting hordes of Northern India—the quality of combination and the power of leading." This, Colonel Holdich thinks, "puts an entirely new complexion on the little frontier fights of the future." But his figures suggest queries about the necessity of such an enormous force as Sir William Lockhart led against the Afridis and the Orakzais.

In answer (June 24) to a question by Mr. J. H. Roberts, Lord George Hamilton threw some light on the somewhat obscure subject of the plan on which the number of places offered each year to competition for entrance to the Indian Civil Service is arranged. The basis of that plan is that at quinquennial periods account is taken of the number of "sanctioned posts"; but, as must be obvious, this estimate is affected by "casualties" and by later or earlier retirements. This latter condition has prevailed in recent years, so much so that, as mentioned in the reply, "the Service is much depleted at present." Perhaps the chief cause of this haste to leave the bright Orient for the grey sky and foggy atmosphere of the exile's home might be found—until and in spite of later "compensation allowances"—in the cost of family remittances and the near prospect of full pension to be paid in the appreciating yellow metal. Anyway, this still rapid exodus of Covenanted Civilians, when their knowledge of the country, its people and their needs has been matured, and their own energies are unimpaired, becomes a moral and intellectual loss to India.

Another cause, in some notable instances, may be traced in the increasing irksomeness of the Service. Much of this is due to the centralising tendency of administration and the not infrequent arbitrary treatment from headquarters of those who combine special ability with that saving but, to themselves, perilous quality of self-reliant independence of character. In these cases the loss to the Service and the State from such early resignations is still greater. On the other hand, so far as the European Covenanted Service is "much depleted" from the above causes, if statesmen, rather than mere clever bureaucrats, were at the centres of power and patronage in the several Presidencies, such "depletion" would, and should, afford an obvious opening for the promotion to, at least, "acting" higher positions of sons of the soil who have proved their fitness and capacity for responsible duties. The "Provincial Civil Service," if it has been fairly dealt with, must comprise many men whose promotion would go far to make up for the "depletion" of the Covenanted Indian Civil Service, and that with great advantage to the country. Here, then, is an opening to utilise indigenous and trained talent, which wise Viceroys and thoughtful Secretaries of State would gladly seize upon. This would be far better than making haste to overcome the tendency to undue "depletion" by too rapidly increasing the number of places for the annual competition. The financial advantage of such a course is in itself worthy of attention. It is incidentally a striking illustration of the effects of undue distension of our Indian Empire that the number of these places has been nearly doubled since the untimely annexation of Upper Burma in 1885.

The London correspondent of the *Champion* draws attention to the increasing use of Indian troops "beyond the external frontiers of her Majesty's Indian possessions," contrary to the Statute of 1858. It is true that a promise was made in the House of Commons last year that the cost of troops so employed should not fall on India; but however well this promise may be kept, there are two points in which India is still the loser, for she will be liable to the extra expense in pensions and recruiting which this foreign service entails. Indian troops are now to go to Mauritius. Is it not time, if the Imperial Government are determined to employ Indian forces abroad, that they should raise troops specifically for such service, and bear the whole expenses, actual and contingent?

We hear much of the development of industrial enterprise in India under our rule, but apparently it has to take place in spite of the apathy or even the opposition of her rulers. The *Pioneer*, in an article on "Obstruction to Private Enterprise in Madras," commenting on the Vizianagram Mining Company, accuses Government officials of treating with coldness and suspicion any ex-officials who remain in the country after their term of service is over, and devote themselves to its industrial development. In the *Times of India* we have an example of how railway enterprise is encouraged. It is admitted on all hands that the making of light railways as feeders to the trunk lines is a matter of the utmost consequence. The duty of improving their territories and estates is being continually urged on the Native princes and the great zemindars. Now the Rájá of Parla Kimedi, laying all this to heart, proposed to construct a narrow gauge line from his capital to Naupada. This would not have interfered with any railway that had been proposed; on the contrary, it would have acted as a feeder to one that was in contemplation. But the Government, after long delay, answered that the Rájá's railway could only be allowed on condition that it should be closed without compensation if they or anyone to whom they might grant the concession should wish to make a line of standard gauge along the same route. In other words, the Rájá is to be permitted to spend seven lakhs on a valuable improvement, with the chance of his outlay becoming a dead loss at any moment. This is a vastly excellent way of encouraging light railways and Native enterprise.

We have already referred to the Report of the Famine in the North-West Provinces; but there is one aspect of it to which it is worth recurring. With the exception of Berar, famine was most widespread in the North-West Provinces, the population in actual distress there being 73 per cent., as against 68 per cent. in Bombay, 54 in Madras, and 45 in Bengal; yet in no province were the relief operations more successful. And this was the very district that had so lamentable a record in 1876-1877, when it was said that the people died of hunger literally by millions. But the case of Berar, where the famine was more widespread still, is even more instructive. There the whole population, 100 per cent., are said to have been distressed, yet the actual misery and starvation was much less. Mr. Holderness is at no loss to account for this. He says: "The cultivating population of the Berars is exceptionally prosperous and well-to-do, and is able to tide over a single bad year without great distress." In other words, prosperity is the true cure for famine, and famine, as distinguished from dearth, is not the result of some mysterious dispensation of Nature, as Lord George Hamilton believes, but of the poverty which can make no provision for the future and cannot therefore tide over a failure of the crops. Poverty is the true source of Indian famine. The *Champion* goes a step further and enquires why the peasantry of Berar is so prosperous. This is the answer it gives: "The explanation lies in the fact that it is governed by the Nizam, of course under a British Commission, on the principles of land revenue assessment which have been for years in vogue in that Native State."

"INDIFFERENT MEDIOCRITIES": AN ANTICIPATION.

NEVER, probably, in the last forty years, have thoughtful Indians looked forward with keener interest, not to say anxiety, to the announcement of the name of the new Viceroy. The hand of Fate has fallen heavily upon their country during the reign of Lord Elgin; and, while they bend submissively to the smiter, yet they naturally cherish the hope that the change may somehow be for the better, and bring some surcease of sorrow. It is their profound confidence in the essential justice of the British people that supports Indians in these dark days to endure. But India is far off, and the claims of everyday life at home divert British attention from the cry that struggles across the Indian Ocean. And there is another barrier that lies between; for the British constituencies look for guidance in far away questions to their leaders in Parliament and in politics, and, when Sir Henry Fowler says ditto to Lord George Hamilton, and Lord Kimberley to Lord Onslow, how can they be blamed if this deceptive alliance lull them into a false confidence that all is right with India? This barrier, at all events, must, and with patient effort will, be overpassed, cost what it may to individual reputations. But the immediate stay of Indian hope has been the possible appointment of a strong Viceroy. "Lord Elgin," says the *Madras Review* most truly, "will leave behind him, not a prosperous and progressive India as we had in the beginning expected him to do, but an India depressed and discontented, waiting to be relieved from the weight of misfortunes which have come upon her during the past few years." Hence the importance of the right choice of a successor, and the anxious hope "that Lord Salisbury will have the foresight and wisdom to select one who has the ability, strength of character, and determination to vindicate British statesmanship in India and bring hope and encouragement to her people."

But would Lord Salisbury look at the question from this point of view at all? Such a suggestion of doubt is, we acknowledge, offensive and dishonouring. But the root of the matter remains: is it justified? Consider Lord George Hamilton. Can any man, with any pretension to a right to a political opinion, deliberately commit himself to the judgment that the present Secretary of State, who has overcrowed Lord Elgin for the past few years, is possessed of the qualities desiderated by our contemporary in the Governor of our great Dependency? Yet it is by the grace of Lord Salisbury that Lord George Hamilton has controlled the destiny of India. Consider the roll of Viceroys. Can it honestly be affirmed that either Lord Elgin or Lord Lansdowne, not to go farther back, was a man of the calibre required for the arduous post of Viceroy of India? We are familiar with the "bold advertisement" they all receive—*mens æqua in arduis*—officially and otherwise; but that does not affect the historical judgment except in the view of sycophants and unthinking persons. It is not the Tory party alone that must bear the burden of blame in the appointments to this responsible office. And now, again, the question comes to the front, as the *Madras Review* points out, "whether the leading English statemen have formed a proper estimate of the situation in this country, whether they have realised that, without a towering personality at the head of the Indian Government, the affairs of this Empire are apt to get from bad to worse." Our contemporary rejects the rumoured list of probable men, excepting doubtfully Lord Cromer, and presses the all-important point that, "to deal with the critical condition in India at present, we want a man of great ability and talents, a man who has great prestige and influence in England, a man whose individuality will be felt and respected in India." "Such a man, adds the writer, "is Joseph Chamberlain, John Morley, or Asquith." Our Madras friend, we judge, has something yet to learn about the political qualities of Mr. Joseph Chamberlain; but his examples indicate sufficiently well his just apprehension of the present necessities of his country. He fears, however, that notwithstanding the great example of Sir Charles Trevelyan, a British statesman of the first class would not "make the sacrifice involved in the acceptance of the highest office in India." He forgets another point. Who would give Mr. Chamberlain, or Mr. Morley, or Mr. Asquith the offer? Not Lord Salisbury. And we do not encourage him to hope, however reasonable such hope may be, that "the foremost statesmen of the day exactly realise the danger of leaving the Empire at this time to the care of indifferent mediocrities." Ask Lord George Hamilton, now glorying in the very ecstasy of "optimism." Writing now, before the appointment is announced, we venture the confident prediction that, notwithstanding the critical conditions now apparent to everybody except "the foremost statesmen of the day," the British Empire of India will be delivered for yet another term to the care of one of the "indifferent mediocrities." There is nobody else "eligible."

We cordially sympathise with the *Madras Review* in its yearning for a new Viceroy of marked ability, moral grit, and outstanding personality. Such a man has never been more urgently needed since the days of Lord Lawrence. We know very well that "it requires exceptional courage, statesmanship, and sympathy with the people to govern the country well, to resist adverse influences, and to put down unreasoning opposition." We appreciate the difficulties of the new comer. He is suddenly dropped into strange surroundings. He is all but certainly very ignorant of the history, the present position, and the conditions of the crucial problems awaiting solution. He is surrounded by officials who are primed with all the details and imbued with autocratic principles for their application. He lives and has his being in the midst of his countrymen and countrywomen, all full of prejudices and opinions founded on anything but a statesmanlike knowledge and view of the conditions of the country. He is socially cut off from intercourse with instructed and thoughtful Indians, except under formalities and restrictions that prevent the free interchange of opinion; and, unless he has had previous experience of Indian society and government, he is likely enough never to know in the least the thoughts and feelings surging in the minds and breasts of the millions he ostensibly rules—rules presumably for their welfare. How is he to distinguish the opinions of the crowd of shameless flatterers seeking power, honours, and titles, from the opinions of the more independent and better educated classes who keep a self-respecting distance and maintain a modest reserve? Formerly, a Viceroy might gain some useful information and guidance from the Indian newspapers; Lord William Bentinck, plagued as he was beyond any Viceroy since his times, frankly acknowledged that he was more indebted to the persecuting journalists than to any other source of information open to him. Now, however, the Press is being crushed into servility and hypocrisy — witness the luckless *Hindustani*, if the correspondent of the *Times* can be trusted; and, as the oppression lasts, it will become more and more difficult for a Viceroy to discriminate between true and artificial opinion. If he follow the splendid example of Lord Ripon, who undoubtedly "exalted British rule, British statesmanship, and British justice, in popular estimation," he will instantly be deluged with the virulent abuse of his own countrymen around him, his life will be made a burden, and his best purposes will be continually impeded or thwarted. If he keep his eyes steadily fixed on the letter and the spirit of the Great Proclamation, he will be the most unpopular man (with his countrymen) in India. It is the choice of Hercules. Who shall be equal to the test? Why, Lord Ripon, if he were "eligible," and would go. There is no man living whose appointment would do such signal service both to India and to the Empire.

"We want now," says the *Madras Review*, "a statesman who will rule India in this spirit, who will consider the welfare of the people as his primary duty to promote, who will not allow interest, prejudice, and clamour to contaminate the course of national righteousness and justice." We wholly and unreservedly agree. No proposition could more thoroughly commend itself to any right-minded person, Whig or Tory, Indian or Briton. Let us suppose, then, for a moment, the utterly hopeless, the utterly impracticable; let us suppose that Lord Salisbury sends out Mr. Chamberlain, or Mr. Morley, or Mr. Asquith!—Lord Ripon is, of course, still more, if that were possible, out of the question. We ask, Which of these three men would hold office for three months? Not one of them. It would not take one of these men three days to see through the preposterous absurdities of Anglo-Indian notions of government, and by the first mail there would be conflict with Lord George Hamilton. Our contemporary imagines that such a Strong Man would "be able to keep himself free from the undue interference of the Secretary of State for India

and his Council." Not the strongest man that ever was created could overcome Lord George Hamilton. There are things that the gods themselves contend against in vain; and his "optimism" is one of them. The strong Viceroy could only resign, and make way for another of the "indifferent mediocrities." The Strong Man in Calcutta will waste his strength so long as there is not a Strong Man also at Whitehall. The situation is deplorable; but the facts are not to be blinked, for the permanent officials have it all their own way, and the day of salvation is not yet.

EGYPT AND INDIA:

AN UNJUST PREFERENCE.

If a country desires assistance from the Treasury of the United Kingdom, it is before all things necessary that it should not be part of the British Empire. Foreign countries may pledge the credit of England: India must borrow on her own security. Protectorates may receive heavy grants: India must pay every penny that is expended for her, without so much as "by your leave", in a barren war beyond her frontier. A short time ago we called attention to the loan raised by Greece on English security, and pointed out that, as a consequence, she was able to obtain money at a smaller rate of interest than India. Last week we chronicled the grant of over three-quarters of a million sterling to Egypt, in aid of an expedition which was declared to be vital to her prosperity, after repeated refusals to help the disordered finances of India. It is necessary to recur to this subject and look into its bearings a little more closely.

The history of the grant to Egypt is not without its interest. In consequence of the refusal of the Caisse of the Egyptian debt to sanction the application of the funds under its control to the payment of the expenses of the Soudan expedition, the Chancellor of the Exchequer proposed early in last year to make a loan of £E798,802 to Egypt from the British Treasury. That it was to be a loan, and nothing but a loan, he asserted in the most decided terms. The expenses of the Soudan campaign were to be borne by the Egyptian Government. The year before he had said in the House of Commons:—"The Egyptian Government have undertaken the expedition with their own forces and at their own cost." Last year, in proposing the loan, he said: "The terms upon which we have made these advances are these: we have made an agreement with the Egyptian Government that whilst the advance is outstanding—any advance, not including the £270,000 included in the Estimates, to which I will subsequently allude—while the advance is outstanding, they shall pay $2\frac{3}{4}$ per cent. interest on the money, being the same rate as our own funds, and that it shall rest with the two Governments from time to time to agree as to the repayment by the Egyptian Government of the capital sum, by such instalments as may be found possible and convenient." Now it is proposed to remit this loan; in other words, the Government, having obtained from the House of Commons a loan out of the English Treasury under the strongest official assurance that Egypt was perfectly well able to bear the charge of the Soudan war, and that all she needed was help to tide over the difficulties of the moment, now declares that unless the loan be turned into a gift Egypt will be unable to pay the future expenses of the campaign. Well may Sir William Harcourt condemn this as unsound finance and comment on Sir Michael Hicks Beach's startling change of front.

But if it is surprising to compare the present conduct of the Government with their speeches when the loan to Egypt was first voted, that surprise is turned into amazement when we contrast their readiness to assist Egypt with their refusal to make any grant in aid of th[illegible]nances of India. Our connexion with India has [illegible] much longer than our interference in Egyp[illegible] is an integral part of our Empire; Egypt, an [illegible], and if promises count for [illegible] a [illegible]ectorate. The governmen[illegible]lishmen to an imme[illegible]overnment of Egypt; and [illegible] troops of the Sovereign as mu[illegible]n the United Kingdom. Yet [illegible]quarters of a million from E[illegible] receive nothing.

Again, Sir Michael Hicks Beach assures us that, even in a year of war, the Egyptian debt has been decreased by £E229,000; yet at the same time the debt of India is to be increased by several millions. In Egypt taxation has been greatly reduced during our occupation; in India during the same period taxation has been continually and oppressively increased. The Chancellor of the Exchequer and Lord Cromer cannot refrain from admiring the prosperity that now reigns on the Nile, while India is just emerging from a costly and unnecessary war, and a famine of unparalleled magnitude, and she still lies under the shadow of the plague. Yet the bounty of the English people is to be extended, not to their own fellow-citizens, the victims of war and plague and famine, struggling under the ever-increasing load of debt and taxation, but to the Egyptians, who, with lessening taxes and diminishing indebtedness, are advancing to a position of assured prosperity.

Nor is this all. We have still to contrast the purpose and effects of the expeditions which have deranged the finances of Egypt and India; and it is only when we have done this that the full injustice of the English treatment of the latter country becomes apparent. Here is what Lord Cromer says about the advantage Egypt will gain by the Soudan expedition:—

> There can scarcely be two opinions on the point that it will be an unmixed blessing to the Egyptians when the matter is finally disposed of, and when Egypt has acquired a settled frontier, free from Dervish invasion or incursion. For many years past the obvious necessity of dealing sooner or later with the Soudan question has hung like a dead weight round the necks of all who had been responsible for the government of Egypt. It is, from the Egyptian point of view, well worth making some sacrifice in the direction of postponing reforms, which are avowedly desirable, in order to enable this weight to be removed.

And if we add to this the benefits that will come to Egypt by the opening of the trade from the Upper Nile and by the renewed cultivation of the land on its banks, we can all see that, whatever may be our view of the policy of this expedition, the country will gain great material results from its success. It is, therefore, not to be wondered at that it is popular in Egypt. Its benefits, moreover, will flow to Egypt alone, for the British Empire is directly concerned neither with the trade nor with the government of the Soudan. If now we turn to the wars beyond the North-West frontier of India, we find a state of affairs differing in every point from the case of the Soudan. Can it be said that by our raids against the Afridis India has gained a "settled frontier," or that the fear of these small tribes or the expectation of a war with them has hung like a dead weight round the necks of the rulers of Madras and Bengal, or of the country as a whole? The tribes beyond the frontier stopped the use of no great river; their inhospitable mountains remain in their own possession; and the trade affected is inconsiderable. No one would have thought of going to war to extend the cultivation of those barren lands, or to increase a trade which, at its best, could be of but very subordinate service to India. The expeditions can only be considered to have sprung from grounds of an Imperial character. If we add that the war was opposed, not only by the public opinion of the Indians, but by a considerable part of the Anglo-Indians, we may see that on every side the Indian case for help is stronger than the Egyptian. Yet Egypt gets three-quarters of a million to help her to free herself from a continuous, if rather vague terror, to reopen a valuable trade, and to acquire a fertile province, by an expedition in which the British Empire has no *direct* concern, while India in a war beyond her own frontier, carried on amid barren mountains for Imperial causes, is met with a stern and decided refusal.

When we look for the chief reasons of this flagrant injustice, we shall not have far to seek. It has already been given by the *Pioneer*; we have quoted our contemporary more than once, but his incisive words must be engraven on the memory:—

> The mischief of Parliamentary interference with Indian affairs has been conspicuous and serious in the past; but it would be exaggerated a hundredfold if the British workman came to think that as he was paying for the Indian concern he had an indefeasible right to control its working.

This is the true reason of that refusal of English aid which the authorities at home have made the excuse for leaving India to bear her heavy misfortunes alone. It has not been pretended that the people of this country were unwilling to help. When aid was first suggested no voice of disapproval was raised. On the contrary, the

accumulated miseries of India had made the people of England—"the British workman"—ready to welcome a liberal proposal of assistance. It has hardly been seriously pretended that India was not in need. Even the optimism of Lord George Hamilton could not refuse to admit that a country harassed by famine and plague, by increasing taxation and increasing debt, is as much in need of help as the abounding prosperity of Egypt. No! It was neither the parsimony of the English nor yet the prosperity of the Indians that was the cause of this refusal. It was the knowledge that if once the English taxpayer had directly to aid the Indian exchequer, the free hand of the officials in India would be at an end, that the English people would awake to a more businesslike sense of their responsibilities, and that the era of indifference to Indian affairs would be brought to a close. Financial aid meant real Parliamentary control, and that to the Government of India is the worst of evils. Better that the crushing weight of taxation should become more crushing, and the burden of debt still heavier; better that the poverty of India should become deeper; better even that all should end in the final chaos of bankruptcy, than that the ignorant and irreverent hands of English politicians and the English public should be laid on the sacred work of the most beneficent Government in the world. What a blessing it is to India to have such a Government! And what a price she has to pay for the incomparable blessing!

LORD FARRER ON CURRENCY.[1]

LORD FARRER has for many years been a diligent expounder of the mysteries of political economy, and he has devoted special attention to monetary questions. From time to time he has published books, pamphlets, articles, and letters by way of formal exposition or criticism. The papers collected in the present volume have for the most part appeared already elsewhere, having been written on the spur of particular interest in the subjects on various occasions, "principally for the purpose of throwing light on the questions raised by bimetallists." Lord Farrer has been a consistent and doughty enemy of the bimetallists, yet always a fair fighter. We do not propose here to deal with Bimetallism. The arguments of the bimetallists have been, to our thinking, completely overthrown in theoretical discussion; and the lapse of time has visited them with the still severer condemnation of facts. The bimetallists, it is true, though vanquished, can argue still; only, as things now stand, one can well afford to leave them to that satisfaction, whatever it may be worth. All we are concerned to do now in that regard is to note Lord Farrer's fairness in controversy with them. Thus he explicitly acknowledges—and it is more than monometallists always recognise adequately—"that real mischiefs and inconveniences have arisen from the recent fall in the gold value of silver." The admission is a harmless one, after all; and, in any case, there is no sense in ignoring the palpable facts. Here, then, is "the one element of truth which lies at the bottom of the bimetallic agitation." Accordingly Lord Farrer carefully enumerates the mischiefs in question, examines the extent of them, and distinguishes between so much of them as can be proved and the exaggerations whereby bimetallists have magnified and distorted them. Everything he writes on this part of his subject is well worth careful study, though we do not propose to deal with it directly.

One thing is specially noteworthy in Lord Farrer's attitude, and yet it does seem an extremely obvious point, though possibly its very obviousness may have caused it to be overlooked by eager economic disputants. It is this: he recognises explicitly that the rules and principles laid down by earlier thinkers require continual re-application and re-statement in relation to the change of circumstances. The material of economic speculation is in constant flux; it undergoes continuous modification in practice. If one takes two considerably separated points of time, one sees more clearly the movement of business ideas and modes; and the extraordinary development of means of intercommunication between different parts of the world has transformed the conditions to which the principles have to be applied. It thus becomes impossible to trust oneself to the letter of the expression of the earlier economists and financiers, and it is necessary to translate their ideas into new terms formulated on the new conditions. Lord Farrer specifies three features that require special consideration at the present moment in respect to Currency and Standard of Value. They are these:—

(1) The development in advanced nations of the practice of banking, and the use of Credit as a medium of Exchange.

(2) The divergence between gold and silver considered as standards of value.

(3) The constant and growing extension of modern business beyond the limits of particular countries, so that the distinctions formerly drawn between Foreign Trade and Home Trade are ceasing to exist, and the principles and practice of Exchange are becoming world-wide in their application.

What Lord Farrer keeps principally in view in these papers is the working of our system of Currency under these comparatively new conditions. And it is this attitude, together with a patient and lucid method of exposition, that gives special value to the volume. Whether one agrees or disagrees with him, he leaves no room for misunderstanding, and he is always at least suggestive.

There can be no two opinions that "it is desirable that there should be throughout the world, and especially throughout the British Empire, a stable par of exchange, founded on one sound and honest standard of value." It would be waste of time to argue with an objector. The essential point is whether and how the object can be attained. The larger scheme—a world-wide agreement—appears, at present, to be a mere pious aspiration. Why? Simply because the fundamental basis of conditions does not exist. It is not the perversity of this or that country but the immaturity of the facts that blocks the way. The narrower scheme—a stable par of exchange throughout the British Empire—is certainly more feasible, just because it is less complicated, the perverse conditions being fewer or at any rate less intractable. In this case it becomes a question whether the advantages are worth the price that must be paid for them. Now, of course, the real difficulty lies with India. And here we are encountered, at the very outset, with this most grave circumstance: that, while the advantages are not all or even mainly, on the side of India, it is India that would have to pay the price. Lord Farrer cannot argue us out of that view. And we doubt very much whether the remarkable memorials from the business men of London, Manchester, Glasgow, Bombay and other parts of India to Lord George Hamilton do not imply a profound conviction that this scheme for a gold standard for India is the last squeeze at the orange.

Let us get down to the bed-rock. We are bound to administer India for India's good, and not for the good of anybody else, not even for the good of the British Empire (unless indirectly, and in consonance with the good of India), much less for any theoretical good of symmetrical currency. We know perfectly well that, if India had been administered, we will not say by Indian statesmen (although we might very well assume to say so), but in accordance with the ideas of Indians of culture and practical sagacity, during say the last quarter of a century—or since the Mutiny—the country would be in a very different position from that which we actually see. Admitting all reasonable allowance of deficiencies, one still sees it to be true that the best Indians are keenly susceptible to Western teaching in political as well as in other affairs, and that they are not liable to be deflected from wise internal administration by thirst for external adventures of an expensive character. Many of the Native States can be pointed to as clear examples where the Native administrators have bettered their English instruction, in purely internal affairs, so that their subjects are better off than our fellow-subjects of British India. It is further perfectly plain [illegible] this gold standard scheme would never have been [illegible] but for the financial difficulties of the Calcutt[illegible] which are directly traceable to the insane fro[illegible] resuscitated [illegible] the oriental imagination and [illegible]ibable to Disraeli. Now, what [illegible]

In dealing wit[illegible] that the first consideration sh[illegible]ce, or of Germany, or of the Unite[illegible]ricultural England, or even the Unit[illegible]

To treat the intere[illegible]ncy as a secondary consideration would be [illegible]erial Government, and

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[1] "Studies in Currency, 1898; or, Inquiries into certain Modern Problems connected with the Standard of Value and the Media of Exchange." By the Right Hon. Lord Farrer. London: Macmillan and Co., Limited.

to deal with Indian currency as a sop thrown over to the whale of bimetallic agitation, whether domestic or foreign, would be a meanness of which I do not believe any British Government is capable.

Very good. But India remembers something about Cotton Duties, in the not very remote past; though we prefer just now to take Lord Farrer's high-minded—or, rather, common honesty—view. But, further, Lord Farrer was on Lord Herschell's committee, and approved of the closure of the Indian mints, and still thinks that project has been "as successful in the present and as full of hope for the future as its advisers expected." Yet it was an artificial inflation of the rupee, indirectly mulcting the general population; and we wholly disagree with his purely theoretical and dangerously general argument leading to the unsound conclusion that "any gain which the wheat-producing rayat makes by the fall of the rupee is outweighed, and more than outweighed, by the diminished efficiency of his Government and by his increased taxation." True, he says "that it was an experiment we all of us felt, an experiment open to risk of failure, and adopted only because other courses were open to more serious objections." Other "financial" or "currency" courses, we presume; apparently, a rational *political* course was not contemplated as a possible alternative. But Lord Farrer always had in view the next step—a gold standard. The only other two courses he looks at—to remain as now, or to reopen the mints to silver—he casts aside as open to "insuperable objections." But let us take him back to a bottom principle of his own. In dealing with the adoption of a gold standard in England, he says the undoubted facts show "a steady progress, conscious or unconscious, towards the adoption of a single gold standard, a progress due not solely or chiefly to the arbitrary acts of a Government, but to the wants and habits of the people, and to economical laws which neither governments nor people can neglect with impunity." Do "the wants and habits of the people" in India show any such "steady progress" as was shown in England? Lord Farrer may say that this does not apply to what Sir John Lubbock calls an "exchange standard." In that case, we point to the condition of the peoples of India, and repeat that no device under the sun can rectify the existing muddle except a policy that will restore the prosperity of the country. That, and that alone, is the sole possible remedy. And, most unhappily, that is just the remedy that officialism will not permit to be applied, or even to be subjected to enquiry. We are on the wrong rails, and the engine-driver is rushing us on to disaster inevitable as death.

GLIMPSES OF INDIA.[1]

"MUCH has been written about India . . . . but the field is vast and the land one of many phases. Much remains yet to be written." So says Mrs. Dunn in the preface to her "Sunny Memories of an Indian Winter." One of the charms of the book, and it has many, is that it makes no pretence at pronouncing a last word about anything. Indeed there is no advocacy of this policy or criticism of that. As may be gathered from the title, it is simply a record of what the Americans would call a "real good time" in India, a trip, or tour, during which some of the wonders and mysteries of that great region were observed from the point of view of a first-class passenger. This is made evident again and again by such passing allusions as:—

> Each compartment of a first-class carriage is in itself a small bedroom with roomy berths and well-appointed lavatory, and no exasperating official comes to inspect your tickets at unholy hours of the night or morning.

Or when we are told that—

> The more trivially minded of the party disperse severally to take their golf, their riding, or their badminton;

And in the frank confession that—

> For birds of passage like ourselves, who sail away before the monsoon breaks or the rains and fever come, it is hard to realise that a life spent in this incomparable, wonderful India is not all made up of "cakes and ale."

In spite of this Mrs. Dunn exhibits none of that hateful narrowness and intolerance which are the characteristics of many an Anglo-Indian. She does not touch upon any of the great problems affecting the peoples of India, it is true. Such matters do not come within the purview of her book. But she shows not only sympathy with but also an affection for those peoples, and an admiration for their great past which is founded upon knowledge. Mrs. Dunn regards the Indians almost entirely from the picturesque point of view, as adjuncts to gorgeous pictures. Only once does she give a hint of their forlorn condition. It is when, having given a glowing description of the statuesque, queenly, bronzed women who may be seen between Ahmedabad and Sirkej making bricks, watering roads, and roofing houses, she adds:—

> But on closer vision you find them uncomely of feature and labour-worn, and in many of their faces there is a look which tells plainly that the burden of their lives is almost greater than they can bear.

It is the one peep into the squalour and struggle behind the glittering scenes.

The English traveller is as a rule only too apt to criticise the customs of the foreigner and to ignore the fact that we at home have corresponding customs that are just as peculiar. Not so with Mrs. Dunn. Thus, when she points out that some of the Indian matrons "adorn" their copper-coloured faces with saffron, she does not forget that something of the sort may be noted in England:—

> Their ideal is apparently yellow on brown; ours is white on pink, or pink on white. After all, these things are matters of taste and custom. Doubtless from a colouresque point of view the Tamuls are right.

And again, when she describes how Queen Mangammol was starved to death, her tormentors putting savoury viands within reach of sight and smell, instead of representing the Hindus as sinners above all nations in this respect, Mrs. Dunn's comment is:—

> The Hindus of the later middle ages were by no means behind their European contemporaries in the art of inventive cruelty. It would be hardly just to say they excelled them.

The greater part of the book is given up to descriptions of the wondrous architecture of tombs, temples and palaces, beautiful, stately and lofty in design, rich in ornament, showing at once genius, patience, wealth and religious enthusiasm unequalled in the world. Mrs. Dunn has evidently a sympathetic eye. She hungers after the artistic, and she can describe that which she has seen in language which gains impressiveness by reason of its simplicity. But the impression left upon the mind of the reader is that these wonders must be seen to be believed in—and perhaps that is the greatest compliment that can be paid to a descriptive writer.

In spite of the great gulf that exists between the Hindu and the Englishman, in spite of differences of race, climate, creed, history, language and much else, there are here and there points of resemblance, for after all human nature is wider than race or country. Thus at a Parsi wedding we find that the gentlemen guests sat in closely packed rows, looking infinitely bored in spite of the native band. It may have been because of that band—but who that has seen the worthy English gentleman at a wedding feast has not observed his look of abject misery—a misery by no means relieved by the strains of the Blue Hungarian band? Nor is the resemblance lessened by the statement that the ladies at a Parsi wedding are more jocund than the men, and their tongues more fluent. Are not our women also the same? And the decorated bridegroom, feeling his position acutely, having "the air of a sacrificial creature being led to the slaughter"—is not all this to be seen at many a West End church during the wedding season?

India is certainly the last part of the world, with the possible exception of China, in which one would expect to meet with what is unpleasantly called the New Woman. Yet among the Lepchas the woman is the stronger vessel, and she does all the hard work, such as carrying timber and stone, while the mere man sits and smokes. The balance is, however, redressed, for according to Mrs. Dunn, madame's muscles have by no means gathered strength unto themselves to no purpose:—

> If all tales be true, conjugal chastisement is frequently administered in a wholesome, temperate and effectual manner, and received in a patient and right spirit by the Lepcha lords of creation.

It was near the region of this interesting tribe that Mrs. Dunn met with a *lama* of the Tibetans, and received in reply to a question an answer which left nothing to be desired, and which may be regarded as the last word on the subject. The question was why the Grand *Lama* (the Tibetan Pope and King) was so vigorously exclusive towards foreigners. The answer was "Because first

[1] "Sunny Memories of an Indian Winter." By Sara H. Dunn. (London: Walter Scott, Limited, Paternoster Square. 1898.)

would come missionaries, then would come whisky, and lastly would come soldiers." Never has any occupant of any Front Bench in the world showed a more complete grasp of the "potentialities of the situation"—as they say at Westminster.

A book like this makes one wonder what this strange people, this vast conglomeration of many peoples, whose lives are compassed with religious forms, complex observances, superstitious fears and practices, think of the beef-eating, beer-drinking Briton with his clumsy contempt for all such things. Few of our countrymen treat such matters with the tolerance and tenderness of Mrs. Dunn. Too many adopt an attitude towards the sacred mysteries of the Hindu as unsympathetic as that of the American who so startled Mrs. Dunn herself. That lady was watching the sun-rise causing the death-white Himalayas to kindle and glow, "a vision which made one speechless and almost breathless." Then was heard the voice of the Transatlantic cousin who remarked in a tone of calm finality, "Wall that's what *I* call vurry nate."

OUR LONDON LETTER.

(FROM A PARLIAMENTARY CORRESPONDENT.)

THE later days of last week in the House were made comparatively interesting (and in these dull days a little interest goes a long way) by a fight among the lawyers over the Evidence in Criminal Cases Bill. I think I made it clear last week that not a few members regard this Bill as one simply to secure convictions, and in no way likely to benefit prisoners. Its opponents, recognising the impossibility of defeating it in view of the fact that the Government had made up its mind to pass it, turned their attention to attempts to lessen its evils. The chief fight took place over a whole series of amendments all aimed at providing that the Bill, which permits a prisoner or a prisoner's wife or husband to give evidence on oath, shall operate in the higher courts alone, and not in the courts of summary jurisdiction. It may be well, perhaps, to point out the object of these attempts. In the first place, prisoners will be really, though not technically, forced to give evidence; for, if they exercise their right of declining, they will be presumed to be guilty at once. On the other hand, if they consent, they will be liable to be browbeaten and bullied. These dangers are not so great in the upper courts, where experienced judges preside, and where able counsel could see that a prisoner was not ill-treated. But before magistrates a prisoner would have no more chance than Mr. Tilak had in India.

All these attempts, however, were made in vain. One of the keenest and ablest opponents of the Government in these attacks was Mr. Carson. It is not wise to impute motive, and so I do not join in the broad hints made by some that Mr. Carson's sole object was to remind the Government that he would make a fine Solicitor-General. Whatever his motive may have been, his arguments were painfully to the point, and never more forcible than when he moved to omit sub-section I. of Clause 5. That sub-section provides that the Act shall not apply to Ireland. Mr. Carson, as a Unionist, wanted to know why this distinction was made. Surely, he said, with one of those bitter sneers of his, it cannot be because this strong Government is afraid of the Irish. Of course he knew, when he said that, that this was the very reason. The Government had bought off Irish opposition by agreeing to omit Ireland from the operation of the Act. Mr. Carson's taunts stung Mr. Balfour to the quick, and I have seldom seen the leader of the House so angry. He almost screamed as he replied, and with over-done sarcasm he regretted that the large majority "was diminished by one very important unit," meaning Mr. Carson himself. Then he confessed outright that the Irish would not accept the Bill, and it was useless to try to force a Bill on them against their wish! "If you call that weakness," said Mr. Balfour with something like fury, and smiting the Table spitefully, "you are at liberty to say so, here or elsewhere." Now, of course, everyone could see that it was a confession of weakness, and that it was not in any way improved by shouting.

So Mr. Carson took the first opportunity of jumping up again and saying that Mr. Balfour's declaration would be read with dismay by every Unionist in Ireland. "Why, if you push his contention to its logical consequence you come to Home Rule!" he exclaimed. The Irish cheered lustily, and the Tories looked uneasy. This brought up Mr. Balfour again. This time he spoke more in sorrow than in anger. He lamented and regretted that one who had done such fine work for law and order and the cause of the Union in Ireland should have dealt so heavy a blow to the good cause. Then a little lawyer, Mr. Butcher, apparently thought he saw a chance of showing that he would have made just as good a Solicitor-General as Mr. Carson, so he bobbed up and accused Mr. Carson of stabbing his friends in the back. Mr. Carson has an expressive face. He has a look that he reserves for his enemies, which I can only describe as an evil leer, and he turned that look on the self-satisfied Mr. Butcher as he replied that he would leave his conduct in the hands of his constituents. It was a funny little scene, and interesting as adding yet another to the series of more or less important splits. There is the big rivalry between Lord Salisbury and Mr. Chamberlain, also the strained relations between the Chancellor of the Exchequer and Mr. Chamberlain, as well as the trouble between Lord Hugh Cecil and Sir John Gorst, and now we have Mr. Carson *versus* Mr. Balfour with Mr. Butcher intervening. And this is the great United party!

Last Friday night was given up entirely to the Scotch members, who discussed matters of interest to themselves but of no interest to anyone else—such as illegal trawling and the general question of fisheries. I notice that some critics are inclined to sneer at the Scots for not getting up debates to amuse the general reader. They are not fools, and when they have a day to themselves they mind their own business. If this does not interest other people, they care nothing for that. I have had some experience of the House, and, as a rule, if solid and useful work is being done the House is almost empty. For instance, whenever any of the grievances of India is brought forward (seldom enough, in all conscience) only a handful of faithful friends are there. On the other hand, if you see the place packed you may be sure that some twopenny paltry personal incident is before the House.

And, last week having finished with Scotland, this week has been given up to Ireland. On Monday quite a touching scene was witnessed at the beginning of business. Irish members of all sorts presented petitions in favour of a readjustment of the financial relations between the two countries on the basis of the report of a recent Royal Commission. For once there was complete unanimity in those ranks, so often torn by dissension. I was rather amused to observe that after this display of unanimity there was just a little display of what may be called the Old Adam of Donnybrook Fair at question time, about the recent rioting in Belfast. One section wanted to make out that the riots were the handiwork of the Orangemen, who threw paving-stones at the defenceless police. The other side declared that this was a gross slander on the good Orangemen, and that the rioting was the work of roughs and rabble. This led to the retort in the form of a question: "How could the authorities tell the difference between Orangemen and rabble?"—a question which no one was prepared to answer. And to make the fun of the situation complete, the Irish Attorney-General stated with some indignation that the Belfast police were "not forced to retire," though it was true that they "had been driven back." The distinction is so fine as to elude the mental grasp, as Bishop Thirlwall observed on a celebrated occasion.

However, all these little preliminaries were forgotten when the debate on the financial relations began. The erstwhile enemies became friends and closed their ranks against the rapacious Saxon. It was a debate of long speeches, containing nothing new. The fact is, the case for Ireland has been stated over and over again, and has never been answered, for the very good reason that it is unanswerable. But the mere showing John Bull that a certain course of action is dishonest is not sufficient to make him amend his ways. On the contrary, he only flies in a rage and seeks to justify his conduct by unctuous professions. The Chancellor of the Exchequer is an experienced debater, but even he was driven to plead that the claim of Ireland would have been just if Ireland had been "an entity," but as she is not, it seems she must go on paying more than her share of the general taxation. It was a remarkable sight to see men like Mr. Redmond,

Mr. Lecky, Mr. Tim Healy, Mr. Dillon, and Colonel Saunderson all agreeing for once. Moreover, they were supported by some able Englishmen, notably by Sir Edward Clarke.

I suppose these debates serve some good end ultimately. If the question is ventilated again and again, and its justice set forth clearly until John Bull has his nose rubbed in it, the Irish may get their way in the end. But the end is not yet. This Government is ready to fool away money over Egyptian expeditions, to squander treasure over a crazy, criminal and costly war beyond the North-West Indian frontier; to fling a million or two to this, that, and the other pet class or section; but when it comes to restoring money dishonestly obtained they begin to make excuse. And so Mr. John Redmond's motion, which set forth "that the disproportion between the taxation of Ireland and its taxable capacity, as compared with the other parts of the Kingdom, disclosed by the findings of the Royal Commission, constitutes a grievance, and demands the early attention of the Government with a view to proposing a remedy," was, after two nights' debate, in which big and little men repeated the arguments for and against *ad nauseam*, rejected by 286 to 144—a majority of 142, the next thing to two to one.

CHRONICLE OF THE WEEK.

THURSDAY, June 30.—The Hon. Arthur Elliot (Unionist) was returned for Durham city by 1,167 votes, against Mr. H. F. Boyd, Q.C. (Radical), who polled 1,102—majority 65. The Unionists gain a seat, equal to two votes on a division. The late Liberal member's majority in 1895 was but 3.

Lord Rosebery was principal guest at a dinner to members and ex-members of the London County Council. He eulogised the Council's growing sense of its great responsibilities, and said it would take the Londoner some time to realise how much comfort, convenience, and even luxury it had brought him.

The American forces were reported within half a mile of Santiago, and General Shafter, having landed all his troops, had transferred his headquarters to the front. The New York correspondent of the *Times* stated that 6,000 more troops had left Tampa in time to reach Santiago before the end of the week.—The Washington authorities still doubted whether Admiral Camara really intends to sail to Manila.—The Spanish ships were prohibited by the Egyptian Government from coaling from their own colliers in Port Said harbour, and were required to leave, the 24 hours' limit having long expired. The Spaniards professed to need repairs, and discharged coal and cargo for the purpose.—The American Press strongly reflected the increasing irritation of the country at the presence of the German squadron at Manila.

M. Brisson, the new French Premier, made his expected declaration of policy in the Chamber. He defined the principle of action of the Ministry as "Union between Republicans alone for the Government of the Republic, proceeding on the path of Democracy." He announced two "principal reforms"—the substitution of income tax for the taxation of personal and real property and of doors and windows, and the determination of the question of old-age pensions. There would also be laid before them Bills dealing with succession duty and reform of the liquor laws, and it was proposed to create Chambers of Agriculture. The interests of industry and agriculture, the "preparation of the necessary instruments for national defence," and a colonial policy were prominently mentioned. A somewhat lively debate followed the Premier's statement, but the declarations of the Government were approved by 316 to 230 votes.

FRIDAY, July 1.—Sir Edward Fry, ex-Lord Justice of Appeal, accepted the invitation of the President of the Board of Trade to act as conciliator in the South Wales coal dispute.

The Archbishop of Canterbury presided at a meeting held in Lambeth Palace in connexion with the movement for the suppression of the Indian opium trade. The Government were strongly urged to allow no consideration of revenue to stand in the way. Mr. S. Smith, M.P., suggested that the cost of abolishing the export of opium from India might be met by an addition of one penny in the pound to the income tax.

An influential meeting was held at Birmingham in favour of the establishment of a local university. The Lord Mayor presided, and Mr. Chamberlain delivered a speech warmly advocating the scheme. Donations to the amount of £95,244 were announced.

The foundation-stone of what will be one of the largest and most perfectly equipped technical schools in the United Kingdom was laid at Liverpool by Sir William Forwood. The building is being erected by the Corporation at a cost of nearly £100,000.

Mr. E. H. Abbey was elected an Academician (R.A.).

General Shafter occupied a suburb of Santiago, vigorously supported by the American ships, which bombarded the forts. After five hours' heavy fighting, the Spaniards retired into the town. The Madrid correspondent of the *Times* reported that the differences of opinion in Spain on the question of war or peace were becoming more accentuated, but that the Government gave no sign of its intentions.—There was a rumour in Washington that Commodore Watson's squadron is not to visit the Spanish coast, but to proceed direct to reinforce Admiral Dewey at Manila, against the arrival of Admiral Camara.

The Peking correspondent of the *Times* reported that the Wei-hai-wei Convention was signed to-day by Sir Claude MacDonald and Prince Ching. The lease is for the same period as that for which Port Arthur is leased to Russia, and places under British jurisdiction all the islands and waters of Wei-hai-wei, with a district ten miles in depth round the bay. China also concedes to Great Britain the right to erect fortifications anywhere on or near the coast of the Shan-tung Promontory east of long. 121° 40'. The correspondent also stated that the amended Belgian Peking-Han-kau railway contract, signed at Shanghai on Monday, was regarded as definitive. The railway will extend the influence of Russia southward to the Yellow River.

SATURDAY, July 2.—The fighting before Santiago yesterday ended in the American capture of El Caney, Lomas, San Juan, and other smaller positions held by the Spaniards. The Americans lost over 1,000 killed and wounded; the Spanish loss was reported very much greater, and General Shafter stated he had taken 2,000 prisoners. Fighting was said to have recommenced to-day, but the telegrams were somewhat contradictory.

The Madrid *Official Gazette* published a Royal decree calling out 26,000 more men to join the colours.

SUNDAY, July 3.—General Shafter telegraphed to Washington that he had Santiago "well invested on the north and east, but with a very thin line," but that, on approaching, he had found the town of such a character, and the defences so strong, that it would be impossible to carry it by storm with his present forces. Generals Wheeler and Young were reported ill, the former seriously, and General Hawkins slightly wounded. The President sent "the gratitude and thanks of the nation" to General Shafter for Friday's work. It was stated that 15,000 reinforcements will be speedily despatched from Tampa, and that General Miles will at once go to the front and take supreme command.

At Madrid despatches were received from Marshal Blanco and General Linares. The former stated that after three hours' vehement resistance on the part of the Spanish troops under General Linares, the Americans made themselves masters of the advanced positions of Lomas and San Juan. General Linares was severely wounded, and had to give up his command. Later in the day the Americans also took El Caney after an obstinate resistance on the part of the Spanish troops who occupied it. According to an unconfirmed report, General Pando had entered Santiago with 6,000 men. Another telegram, however, affirmed that his troops are ill-supplied with food, and the roads are so bad that he will be quite unable to reach Santiago in time to be of any assistance to General Linares.

MONDAY, July 4.—Independence Day brought the news of the complete destruction of the Spanish fleet at Santiago by Admiral Sampson, and the capture of Admiral Cervera with 1,300 men. Admiral Cervera's squadron attempted to run out of harbour on Sunday morning, when Admiral Sampson met it and annihilated it. Several of the Spanish ships ran ashore and were burnt and blown up. The position ashore remained much the same. General Shafter's demand of surrender had not been complied with. Three of the American transports with troops for Manila were reported to have arrived at Cavite yesterday. On the voyage to the Philippines from San Francisco a call was made at the Ladrone Islands, over which American sovereignty was declared, the Spanish Governor and the garrison (who were unaware that war had broken out) being carried away as prisoners.

An "insurrection" broke out in Montevideo, two regiments of light artillery having mutinied in favour of the ex-President. After some fighting in and near the city, the rebels submitted.

General Pelloux, the new Italian Premier, read the Ministerial declaration in the Senate and Chamber of Deputies. The Government announced its determination to maintain strict order, to do its utmost to bring about a gradual improvement in the financial and economic situation, and relieve existing distress. The Premier generally described the policy as one of "pacification, hard work, tranquillity, and justice."

TUESDAY, July 5.—Mr. H. F. Boyd, Q.C., the Liberal candidate in the Durham election last week, died at the age of 47. He caught a chill during the contest.

Dr. R. M. Pankhurst, the well-known Manchester barrister, Radical politician, and social reformer, died somewhat suddenly.

Princess Louise "christened" the battleship "Ocean"—sister vessel to the "Albion"—on the slips at Devonport. The great vessel "hung" for an hour or more in consequence of

some blocks being jammed, but ultimately the launch was safely effected.

The bombardment of Santiago was expected to be delayed—even a week or more. General Shafter and Admiral Sampson were directed to confer as to the course of action, while reinforcements are hurried forward. Admiral Sampson received a telegram of congratulation from the American Navy Department. General Pando reached Santiago with his troops. The Spanish accounts of Admiral Cervera's dash from Santiago harbour continued to represent it as a daring and successful move, and, according to Reuter's special correspondent at Madrid, "indescribable enthusiasm continues." At the same time anxiety is beginning to be felt as to Cervera's whereabouts. The New York correspondent of the *Manchester Guardian* commented on the "despairing wonder" with which these despatches are read in America. The Spanish squadron at Port Said, with the exception of three destroyers, entered the Suez Canal. The Vienna press regards the war as practically over, and urges Spain to make overtures for peace.

Wednesday, July 6.—The adjourned conference of representatives of the Liberal organisations of the country met at the National Liberal Club, London, and decided that the Liberal Memorial to Mr. Gladstone should take the form of a statue to be erected within the Palace of Westminster.

A University Extension Conference was opened at Cambridge to celebrate the completion of the University's twenty-fifth year of extension work.

There was reported the loss of a French liner, "La Bourgogne," in collision with a British sailing ship, the "Cromartyshire," in the Atlantic. Of 726 persons on board, 500 were supposed to be drowned. Terrible stories of panic are told by surviving passengers, who attribute to some of the French crew conduct of the most inhuman description towards men and women struggling for life. The "Cromartyshire" was towed into Halifax, Nova Scotia, much damaged.

No disturbances in Madrid were reported on the knowledge that Admiral Cervera's squadron had been destroyed (with a loss of 1,200 men killed and 1,400 prisoners). Nor were there any signs of an intention on the part of Spain to put an end to the war. On the contrary, the Cabinet was stated to have determined to let it continue at all costs. There was little news from Santiago de Cuba, the position apparently having undergone no change.

The Chilian Government formally proposed to the Argentine Republic that the boundary disputes between them should be referred to the arbitration of Queen Victoria.

LETTERS TO THE EDITOR.

THE "TRUE" AND THE "FALSE" RUPEE

To the Editor of "India."

Sir,—In India of June 17 appears a letter from Mr. Dadabhai Naoroji dated May 29 last, and reprinted from the *Times* of June 3.

The third paragraph of the letter runs as follows:—

> 3. Closing of the mints and thereby raising the true rupee worth at present about 11d. in gold to a false rupee to be worth about 16d. in gold is a covert exaction of 45 per cent. more taxation (besides producing other effects, which I do not mention) from the Indian taxpayers. The reason is again simple. Suppose a rayat has to pay Rs. 10 for land tax. This rupee means a fixed quantity of silver stamped with the mint stamp, and is truly worth at present about 11d. of gold. By closing the mints this rupee is forced up to the worth of 16d. of gold, and the rayat is compelled to find this high-priced false rupee of gold, or, in other words, to sell 45 per cent. more of his produce to get this false rupee, the Government getting 45 per cent. more taxation than it is entitled to even according to its own "despotic" legislation.

Is there not a serious confusion of terms here? When the writer says that the true rupee is worth at present about 11d. in gold, he evidently means that the quantity of silver contained in the rupee would at the market price of silver ruling in England be worth about 11d. But when he speaks of the closing of the mints having raised the true rupee to a false rupee worth about 16d. in gold, he has in his mind, I imagine, not the simple case of the money worth of a piece of metal, whether in England or in India, but the rate of international exchange between India and England expressed as 16d. to the rupee, which means that the relative state of the markets in the two countries is such that a rupee expended in India can procure the realisation of 16d. in England; or, to put it somewhat differently, something may be bought with the rupee in India which on being transmitted to England can be there converted into 16d. The writer's argument seems to be that because a transaction of this kind produces a 45 per cent. better result in England than would have been the case if the actual rupee had been sent bodily to England and sold for its market value as silver, therefore the rupee must somehow have had its value fictitiously enhanced to the same extent in India. But surely this inference is not sound. The something which is sent from India to England need not be, and seldom is, either the material of the rupee or the material of the sovereign, but is usually some product of Indian industry for which there is a comparatively advantageous market in England. Although a rupee's amount of silver may only be worth 11d. in England, a rupee's worth of some Indian industrial product may, nevertheless, well enough fetch as much as 16d. there; and it is the trader's business, of course, to deal in the commodity which works him most advantage.

The existence at any time of a recognised market rate of exchange between two countries is, I take it, the outcome of a complex system of international trading. If the merchant exporter were always himself (as in the case of primitive trading) his own importer of the commodities for which his exported commodities are exchanged abroad, and which furnish him with his profit on being brought home and sold, there would obviously be nothing out of which a market rate of exchange could arise. It is only when the two operations of export and import are usually pursued as separate businesses, and when exporters and importers can only complete their respective transactions and realise their profits by bargaining with each other (through the agency of banks, etc.) for the results of their respective ventures that a pecuniary rate of exchange is brought into being.

It would not be convenient here, nor would it perhaps be easy, to follow out in detail the ordinary processes by which this transaction of exchange is effected; but it is not difficult to see that the rate given by the gold value of silver to the rupee would in general be a limiting and not an actual rate of exchange, because bullion will only be had recourse to in practice when it yields better terms than can be got out of the other commodities of commerce between the two countries.

If the foregoing view of the matter is approximately correct it would seem that India's situation may be briefly stated as follows:—She has a debt of say 15 or 16 millions sterling to pay annually in England. To do this, she, in effect, buys with rupees in India the requisite commodities at their market price, sends them to England for sale, and pays the debt out of the funds so raised.

The machinery through which this operation is effected consists of merchants, bankers, and brokers engaged in trade between India and England, and their profits enter into the cost of the commodities to the Government.

The rate of exchange of rupees in India for pounds sterling in England, on the whole of the operation, is the proportion between the gross cost of purchase in rupees and the net proceeds of sale in pounds sterling.

If, therefore, the closing of the mints has affected the rate of exchange otherwise than indirectly, this must be because it has affected the rupee price of commodities in India, for it cannot well have altered the gold price of commodities in England.

Now the shutting off the demand for silver for minting purposes certainly tends *pro tanto* to lessen the exchange value of silver relative to other commodities—that is, tends to increase the rupee price of commodities, because the material of which the rupee is made is lessened in exchange value.

But at the same time the closing of the mints against silver for coinage leaves the existing stock of coined rupees a fixed inelastic quantity, so that the occurrence of any sudden increase in the demand for coin would cause the exchange value of the coin as regards other commodities to go up, and the rupee price of the commodities would go down.

In other words, the closing of the mints against silver must generally tend to increase the rupee prices of commodities in India, subject on special occurrences of augmented demand for coin to tendency in the opposite direction.

Has a tendency in either direction reasonably attributable to the closing of the mints been observed?

According to Mr. Dadabhai Naoroji, if I understand him rightly, it has cost the rayat since the closing of the mints 45 per cent. more of his produce to get a rupee than it did before. In other words, the closing of the mints has caused a fall of 45 per cent. in the rupee price of agricultural produce throughout India. Is there any sound foundation for this startling statement? And if so, how has the result been brought about?

Yours, etc.,

Marpool, Exmouth, June 29, 1898. J. B. Phear.

Mr. Dadabhai Naoroji replies to Sir John Phear's letter in the following communication:—

To the Editor of "India."

Sir,—I am much obliged to you for allowing me to reply to Sir John Phear's letter at the same time. There are some fallacies which run through all such letters as those of Sir John Phear and Sir Edward Sassoon (in the *Times* of June 6 last, and my rejoinder to which has not appeared). The first fallacy which I would direct attention to is this. In discussing the complicated phenomena of economic and commercial results, such letters do not bear in mind that in examining any particular element or factor of such phenomena, all other factors should be held aside, and the effect of that particular factor should be examined by *itself*, all other circumstances being taken as remaining the same. I shall illustrate this from a physical

case. When a number of cues strike a ball at the same time, the *resultant*, or, in other words, the direction in which that ball actually runs, is not the same with the direction of the stroke of any one of the cues, and it will be fallacious to say that the resultant indicated the direction of *any* one of the strokes. The fallacy in the complicated economic phenomena lies in this way. Prices are the *resultant* of many forces—economic, commercial, political, social, physical, international, of war, pestilence, and famine, currency and a variety of minor and local forces; and the mistake that is constantly made is that whenever any *particular* factor is to be considered, rush is made to prices, and their fall or rise is at once attributed to the particular factor in which the writer at the moment is interested, just as the striker of every cue will consider the ultimate direction of the ball as the direction of his own cue, which is not at all the case. The test of, or appeal to prices for the effect of any particular *individual* factor is altogether fallacious. I shall apply this further on to the muddle of the currency by the closing of the mints—or to the true and false rupee.

Rise in prices indicates both high prosperity and deep adversity. Rise in the price of cotton during the American War in the '60's was pouring wealth into India and adding to prosperity. Rise of prices in famines indicate deep adversity and misery. Fall in prices similarly indicates both high prosperity and deep adversity. In the case of a superabundant crop, though prices fall, still it is prosperity, and a large addition to the aggregate wealth and prosperity of the country. But in the case of large imports from foreign countries when the produce of the country itself is scanty, prices go down, producing distress and misery to the home producers. It is absurd to suppose that the mere rise or fall of prices in themselves indicate any particular results, and much less the effect of any one *individual* factor. Every rise or fall must be considered on its own merits according to the causes—appeal to actual prices for the full effect of any particular factor, such as the closing of the mints, is fallacious. The effect of this factor on prices must be considered by *itself*.

The next fallacy which generally runs through such letters is drawing conclusions from exports. Exports, like prices, are again the result of many factors. In the case of India particularly, exports are not all mere true trade or economic transactions of the country receiving back, as in this self-governed country, an equivalent in imports, in merchandise, or treasure, with profits on the exports added. In India, the exports are composed of exports from Native States, which is a large amount (which Government returns ought to point out), the political, crushing tribute or "bleeding," the remittances of the profits of the exploitation of India's labour and land, or resources, by foreign capitalists of all kinds, including foreign planters, while the Indian people are mainly mere hewers of wood and drawers of water with a small portion as their own *true* trade. The increase of exports by *itself* is therefore no criterion of any healthy increase of the true trade of the people themselves, unless all the various items are fully pointed out in the official returns of trade. It will then be seen whether any increase in exports is, and how far, any healthy increase of the trade of the people, or whether such increase does not point to additional "bleeding" and exploitation and increase in poverty. It is, therefore, futile and fallacious to rush to exports, as to prices, for any writer to prove the success or effect of the particular individual factor in which he is for the moment interested. The effect of every factor must be examined by itself.

I give one more instance of such superficial conclusions. During the period of the continuous fall in exchange since 1872-3, I have a strong impression of its being frequently urged that this fall in exchange has enormously increased exports. What are the facts? The decline began in 1872-3. The total exports in 1848-9 (I take roughly this illustration) are Rx. 16,630,000, and in 1871-2 are Rx. 64,690,000, giving an increase to 379 per cent., or in other words, the exports in 1871-2 were nearly four times as much as in 1848-9—during the twenty-four years when there was no continuous fall in exchange. Again, taking the exports in 1871-2 as Rx. 64,690,000—and the fall commencing in 1872-3—the exports in 1896-7 (the latest returns) are Rx. 108,840,000, *i.e.*, increased to 168 per cent., or, in other words, the increase in 25 years is only 68 per cent. more, instead of being four times as much, as in 1871-2. The increase before the period of fall in exchange was four times as much as in 1848-9, and during the period of continuous fall only 1·68 times as much as in 1871-2.

If fallacies like those I have pointed out are borne in mind, the test of the complicated phenomena of prices and exports as to the effect of the closing of the mints is futile and fallacious.

The real and full effect of the closing of the mints must be examined by itself, irrespective of the effects of other factors. First of all the closing of the mints was both illegal, dishonourable, and a despotic act. It is a violation of all taxation laws, by which there was always a distinct contract between the Government and the taxpayers, based upon the fundamental principle of sound currency, *i.e.*, of a certain definite rupee. And what is that fundamental principle upon which the currency, both of this country and of India, is based? The former is upon what is called the gold standard, and the latter, the silver standard. Take this country. Here the whole currency is based upon a sovereign—a fixed unit of a certain quantity of gold, whatever its relative exchangeable value may be with all other commodities. A sovereign is nothing more nor less than, or anything else but, 123·274 grains of a certain fineness of gold, with a stamp upon it, certifying to the world that it is what it professes to be—and that no restriction whatsoever was to be placed either on the market of gold or on the coining of gold. Any person may present 123·274 grains of gold, of standard fineness, with the mintage (which, I think, is three halfpence for an ounce), and ask for a sovereign, and will get it. It is not buying or selling gold; Government simply, having fixed a unit of currency measure, stamps the unit that it is the proper unit. I should be surprised if Government here should ever think of interfering with this unrestricted sale and coinage of gold, as the foundation of the sound currency of this country. The sovereign is the standard by which every other commodity, including silver, is measured in its exchangeable value, just as a foot is a standard measure of length, a gallon, of liquids. The taxpayers' contract with the Government is that he is to pay in such unrestricted sovereigns; and every taxation law lays down the payment in such sovereigns.

Similarly in India, substitute 180 grains, with 2 per cent. for mintage, for a rupee in place of 123·274 grains of gold, with three halfpence for every ounce of gold coined, and all the above remarks apply word for word to the case in India.

This is the true rupee—180 grains of standard silver, at its market value, with nearly 2 grains more for mintage, is convertible into a rupee, without any restriction either on the silver market or on the coining of silver. It is in this true rupee that the taxpayer is legally bound to pay his taxes. Any interference with the fundamental principle and law of the rupee is illegal and immoral or dishonourable—and I may say fraudulent to a degree.

Now comes the false rupee. The true rupee, in its relation to gold at the present market value of 180 grains of silver, is worth 11d. of gold. Government intervenes, abuses its power or duty to coin silver unrestrictedly—makes the rupee scarce and false by thus forcing it up to the value of 16d. of gold, or 265 grains of silver, which the rupee does not contain. And the taxpayer is compelled to pay his tax in this false rupee, under the false pretences of using the word rupee where the rupee is not one rupee but nearly one and a-half rupee. Let us now take the factor of "closing the mints" by *itself*.

Suppose I go into the market with my produce to buy 182 grains of standard silver, for which say I have to give a maund of rice. I want to go to the mint and ask the mint to coin it into a rupee, which I have to pay to the Sirkar for my tax. If I get the rupee, then it is all right. But no, the mint refuses to coin. It virtually says—bring 267 grains of silver and you will get a rupee. Or in order to get the rupee, I go into the market to get the rupee. The man who has the rupee tells me: "If you give me 267 grains of silver, or as much produce as would buy 267 grains of silver, I would give you the 'rupee'."

What alternative remains for me but to give as much of my rice, about 1½ maunds, to get this false rupee, instead of only one maund to get the true rupee? A child can understand that. Now, if the *actual* price in the market of my rice does not show this fall in the price, it is not that the closing of the mints has not produced this decline, but that other fortunate factors have influenced the price, whose benefit is thus robbed away from me by the Government by this covert dishonest device of the closing of the mints. Otherwise I would have received so much higher price for my produce than the actual present price. The loss, therefore, to me, is all the same, as I was forced to pay in my produce for 267 grains of silver to get the false rupee, instead of paying for 182 grains of silver to get the true rupee.

In order to test whether the closing of the mints has actually sent down prices or not, let us take some commodity in the country itself upon which the factor of the closing of the mints produces its full effect, and which is not much affected by other commercial factors. Such a commodity is gold. It is affected not in merely foreign exchange or international relations, but in *India itself* as a commodity, like every other commodity. Say I have a sovereign in actual gold in India, and I want to sell it for rupees in *India itself*—not for exchange to foreign parts. If the rupee were the honest, true rupee of the market value of 182 grains of silver, I should get 22 such rupees; but at the false value of the rupee, *i.e.*, the market value of 267 grains of silver, I get only 15 rupees—the price of gold has so much declined. That is the case with every commodity. In addition to the higher taxation, by an irony of fate the very interests (bankers, merchants, planters, foreign capitalists of all kinds, etc.) for whose behalf, besides that of Government itself, all this dislocation of the currency was made, are now loudest in their cry for all the mischief caused by it. And yet the authorities in India and here are infatuated and blind enough not to learn even by experience.

The India of the Britons has been flourishing and will flourish more and more by the present system of rampant "bleeding," of "cruel and crushing tribute," and British exploitation. That the India of the Indians has been correspondingly perishing, and will perish more and more, and has been bankrupt ever so long, and will continue bankrupt, is patent to

all who look below the surface and understand the "bleeding" and exploitation. It is only the bleeders and the exploiters that cannot and would not see, till retribution overtakes them. And the result will be, as Lord Salisbury says, that injustice will bring down the mightiest to ruin. The reason why India's chronic bankruptcy is not patent to the world, is that the ordinary bankrupt has to declare himself, while the Indian Government bankrupt can always put his hand in the pockets of, and squeeze more and more, the Indian wretched tax-payer, and thus the world never sees the greatest bankruptcy in the world.

In order to show my hand fully in the object of my correspondence, I have sent to Sir Edward Sassoon my pamphlet of letters on exchange published in the *Times* and *Daily News* in 1886, and I shall send a copy to Sir John Phear also. I may refer also to my evidence before the Currency Committee of 1893.

Yours truly,

Dadabhai Naoroji.

Washington House,
72, Anerley Park, S.E., July 6, 1898.

"INDIA IN DEEP WATERS."

In the *National Review* for July—a Conservative monthly magazine conducted with not a little spice of independence—there is a very able and most timely article by Mr. Robert H. Elliot on the financial difficulties of India. Mr. Elliot can speak from personal and business experience both of India and of Ceylon. We borrow a few points.

Plumbing the Depths.

The Bank Rate previous to 1893 was about 6 per cent. It is now nominally from 10 to 15 per cent., but practically from 18 to 20 per cent., and 2 per cent. per month had been a common rate last winter, while money was often not procurable on any terms, and for a whole month Calcutta was on the verge of a commercial crisis. So much active capital has fled, and no new capital is coming in. All businesses are more or less hampered, and at least one important industry has already been seriously injured. Confidence has gone, and, of course, credit too, and the state of things is generally and truthfully described as "intolerable." As a necessary consequence, a reduction in the demand for labour has begun, and to such an extent that certain employers, of whom I am one, have arranged to reduce the wages of men 25 per cent., and the wages of women $33\frac{1}{3}$ per cent., from July 1. For the first time in the history of our rule in India the agitators have been furnished with a well-founded means for setting the people against the Government. With a rapidly increasing population we have diminishing means of employment. The severity of famines and scarcities must therefore increase in the future, and add to the financial difficulties of the Government. Export taxes of a most onerous and destructive kind have been levied on the producers of India under the thin disguise of the present currency measure. A bounty of about 50 per cent. has practically been given to all those silver-using countries whose productions compete with those of India. Look where you will, and you will find evidence of decay and causes surely leading to ruin throughout the length and breadth of the land.

Yet, as Mr. Elliot points out in contrast, "for the twenty years previous to 1893 the condition of India was full of hope; for capital was pouring into the country, progress had declared itself all along the line, and industries were increasing and finding employment for the people." Now capital will not venture, progress is slowed down, employment is getting scarce and precarious. The only joy of the situation is the elevation of the fictitious rupee.

Why "This Astounding Policy"?

The Act "which has entailed such terrible consequences, and which is so permeated with harmonious rottenness that it is equally unsound from economical, political, and financial points of view, evidently requires some explanation."

The explanations for this astounding policy are apparent to those who have any acquaintance with the subject. The first is that the Indian services wanted to get their savings and the remittances for their families sent home at as favourable a rate of exchange as possible; and the second, that it was supposed, and most erroneously supposed, that the financial condition and prospects were such that the currency measure was absolutely necessary in order to save India from bankruptcy.

Sir Frank Forbes Adam pointed out to the Herschell Committee that, "though there is undoubtedly dissatisfaction existing amongst a certain number of those carrying on foreign trade, really *the origin of the movement and its true force proceed from the servants of Government*"—a reasonable complaint of the civilians, which ought to have been remedied otherwise. It is not necessary to follow Mr. Elliot's demonstration that there was no real financial urgency, seeing that Lord George Hamilton is even now crowing over the elasticity of the finances. The first cause is "absolutely certain"; and even if the second, the supposition of impending bankruptcy, had been also well-founded, the "policy of tampering with the currency of a country in order to escape financial difficulties" is, as even the *Times* declared, "quite inexcusable." Mr. Elliot shows that, while external capital is frightened off, capital that remains has already begun to be "gradually destroyed," and that "on a considerable scale." He then adverts to another profoundly important point,

The Depreciation of the Private Reserves.

This is, undoubtedly, a point "which those who have any practical experience of India must regard with the gravest apprehension."

What would happen in this country if the Government—supposing, for instance, it had the power and were as foolish as the Indian Administration—went practically into the house of every man who had been storing up values in melted-down gold, and through the agency of some currency manipulation cut off and absolutely destroyed about thirty per cent. of these values? Why, there would be a revolution. And yet this is exactly what the Government of India, in the height of its amazing folly, has done in India. Immense quantities of rupees have in years past been melted down and converted into silver ornaments, and, in time of need, these could be taken to the mints and coined into rupees, or, what was practically the same thing, money could be borrowed on them at their rupee value, which was approximately their weight in rupees, or else, to make ornaments, silver was bought and paid for in rupees in the days when silver was far more valuable in rupees than it is now, and the full value originally given could again be obtained. But the closing of the mints changed all that, and at the same time changed all the feelings of all India that had anything to lose—and in what house were there not silver ornaments? In every house was previously planted a sense of English justice and honesty, and now it is hardly too much to say that we have created a mutiny, or, at least, a discontented and rebellious spirit in every house. "Strike me on the back if you like," says the Indian, "but do not strike me on the belly."

"What do the Officials Deserve?"

"What do the officials deserve," asks Mr. Elliot, "or rather what do they not deserve, who have forced this cruel and foolish measure on 300 millions of people—forced it on the people, and that too against the declared wishes of nearly all the independent Englishmen who had practical knowledge of India?"

And I say the officials, solely because they grossly deceived the House of Commons, which had neither time nor ability to look into the matter, and who naturally concluded when they passed the measure that the decision of the Indian Government was in accordance with the main weight of the evidence taken by the Herschell Committee. And this piece of deception—for it was nothing else in practice—was maintained in the Secretary of State's letter of instruction to Sir Henry Fowler (chairman of the Enquiry Committee now sitting), which sets forth that the currency measure "followed on a full and impartial investigation by the Committee presided over by Lord Herschell." Yes, it may have in point of time; but to every uninformed person the statement was as fully calculated to deceive as if the Secretary of State had said that the currency measure had been passed with the concurrence of the great body of witnesses examined before the Herschell Committee, whereas only six of the witnesses were in favour of it, and of these four were servants of the Government.

The True Remedy.

Having shown the "harmonious rottenness" of the Government policy, Mr. Elliot lays down certain points which, he thinks, must be attained if we desire to retain possession of a prosperous and contented India:

(1) We must have a currency which will place India on an equal footing with the other silver-using countries whose productions compete with those of India.

(2) This can only be attained by gradually opening the mints in whatever way may seem judicious.

(3) The finances must be aided, and the condition of the country improved, by granting a British guarantee for all the existing and all the future liabilities of India; and the losses in exchange to the Government must be recouped by import duties and other forms of taxation.

"A Packed Jury."

Mr. Elliot adds some pungent criticisms on the Committee of Enquiry now sitting, and the method of its appointment. He repeats in summary such arguments as we have already put forward, and he refers particularly to the exclusion of Ceylon. "One cannot help admiring the cleverness of the India Office; for reading between the lines of the correspondence" with Chamberlain, "it is impossible to avoid the conclusion that Mr. Chamberlain had been caught and made the means, under Providence, of not only shutting the door in the face of the people of Ceylon, but at the same time shutting out the last hope of effective representation so far as the 300 millions of India are concerned."

A grosser political blunder was never made: and what makes matters worse is that Lord George Hamilton not only, as we have seen, led the public to suppose that the decision of the Herschell Committee was in accordance with the weight of the evidence taken before them, but had the audacity to state, in his reply to the Bankers' Memorial as regards the constitution of the Committee, that he had endeavoured to find members for it "who were not likely to be hindered, either by commercial interests or by previous utterances of their own, from forming an unbiassed opinion." And Lord George also made a statement in the House of Commons to the same effect when he defended the composition of the Committee. And yet, of the members he appointed, Sir David Barbour and Sir Charles Crosthwaite are committed to the hilt by the active part they took in closing the mints, both being on the Indian Council, and both in despatch after despatch having urged the adoption of the present currency policy. Lord George, it is hardly necessary to add, has secured on the Committee a majority of officials and ex-officials—the very class which has brought all the trouble on our Indian Empire. So, with the precedent of the Herschell Committee before them,

Indian producers and also Lombard Street (now largely concerned in the matter) have good reason to apprehend a report in opposition to the weight of evidence taken. Can we wonder that the Committee has been spoken of in the City as a packed jury?

Mr. Elliot naturally concludes that there is no time to be lost. "For 'the fire is on the hills,' as it was in the days of the Indian Mutiny, and it must be put out at once, in the only way it can be put out. . . . And all the time, and for the last five years, our Indian rulers at both ends of the line have been complacently playing a duet on the gold standard violin, quite oblivious of, or indifferent to, the flames rising around them." No one interested in this far-reaching question should miss reading the full article in the *National Review*.

OPIUM SMOKING IN INDIA.

"PENAL LEGISLATION AT PRESENT UNDESIRABLE."

There has just been issued a "Return of recent Correspondence between the Government of India and the Secretary of State in Council (including reports by the Local Governments of India) as to the Measures adopted to give effect to the recommendation of the Royal Commission on the subjects of the evils connected with Opium Smoking in India and the use of rooms as Opium Smoking Saloons."

The Royal Commission's Recommendations.

The Report of the Royal Commission, paragraph 195, embodied two recommendations, which the Government of India summarise, correctly enough, as follows:

"(1) That the prohibition already existing in the Punjab, the North-Western Provinces and Oudh, and the Bombay Presidency, in respect of the licensing of shops for the sale of preparations of opium used for smoking, commonly known as *chandu* and *madak*, should be extended to other provinces, the manufacture of such preparations being allowed only in restricted quantities by private individuals for their own use; and

"(2) That the desirability of taking legislative measures to prohibit the use of premises as smoking saloons either by the public generally or by so-called clubs should be considered by the Government of India."

The Government of India, by a Resolution dated September 25, 1891, prohibited throughout India the smoking of opium on the premises of licensed shops; and, on October 19, 1895, they informed the Secretary of State that they were prepared to accept the recommendation of the Commission in regard to the further step of prohibiting the sale at such shops of preparations used in smoking. On the second recommendation, they said, they would consult the Local Governments.

Resolution of the Indian Government.

On November 19, 1895, accordingly, the Government of India passed the following Resolution:—

"The Government of India agree with the opinion expressed by the Royal Commission on opium that, although opium smoking is in India a comparatively novel habit and is regarded generally as disreputable, it is doubtful whether Native public opinion would approve of severe and inquisitorial measures of repression. Opium smoking upon licensed premises has already been prohibited throughout India by the Resolution of the Government of India in the Finance Department, No. 4033, dated September 25, 1891, but the rules in force under the Opium Act in different provinces are not uniform as to the treatment of the preparations of opium used for smoking, commonly known as *madak* and *chandu*. In the Punjab, the North-Western Provinces, and Bombay no shops are now licensed for the sale of these preparations, but their manufacture for private consumption is not interfered with. In Bengal, Assam, the Central Provinces, and Madras shops are licensed for sale of the preparations, though consumption on the premises is not permitted; and in Bengal the manufacture of the preparations by private individuals is only permitted under a license, while in Assam, the Central Provinces, and Madras it is prohibited by the rules. The sale under licenses from Government of licit opium prepared for smoking undoubtedly tends to prevent the sale and consumption in this form of illicit opium, and the policy in these provinces has been to try and check the spread of the habit of opium-smoking by raising the price of smoking preparations to the consumer and by restricting as far as possible the number of places where the preparations can be legitimately obtained. The extent to which this policy has been given effect to in recent years will appear from the following figures:—

	Number of Shops licensed for the Sale of Preparations of Opium used for smoking.	
	In 1884-85.	In 1893-94.
Bengal	518	388
Assam	37	15
Central Provinces ..	306	137
Madras	107	115
	968	655

"2. The Government of India have adopted the policy of attempting to check opium smoking in India by diminishing the facilities for the practice of the habit, and recognise that it is desirable that the policy of Local Governments and Administrations in this matter should, as far as possible, be uniform. They accept, therefore, the recommendations made by the Commission that the system which now exists in the Punjab, the North-Western Provinces, and Bombay should be extended to other provinces in India, and that the Government should, in deference to Native sentiment, cease in future to license shops for the sale of preparations of opium used for smoking, while not attempting to prevent the manufacture of such preparations by individuals for the purpose of private consumption. The recommendations made in paragraph 195 of the Report of the Commission on the subject of opium smoking do not apply to Burma. . . . . In Burma, as is stated in paragraph 238 of the Report, opium smoking is the common habit, and the sale of opium prepared for smoking to non-Burmans and to registered Burmans will be continued under the regulations and restrictions now existing. . . . .

"3. Further than this, however, the Government of India are not, as at present advised, prepared to proceed in the direction of restriction or repression of opium smoking, when privately practised. They have considered carefully the opinions expressed in favour of the absolute prohibition of opium smoking by the Mahârâjâ of Darbhanga, the late Mr. Haridas Veharidas, and Mr. Wilson, but they agree with the majority of the Commission that no sufficient necessity for so extreme a measure has been shown. The habit of opium smoking in India is, as the Commission have stated, of comparatively recent introduction, and it is therefore not unnaturally regarded with disfavour and suspicion. The habit also is more common among the lower orders than among the educated and well-to-do; the conditions under which it is indulged in are often demoralising and degrading, and the evils which result from excess are easily recognisable. These facts are, in the opinion of the Government of India, in themselves sufficient to account for much of the evidence given in India as to the disastrous effects of opium smoking. Sir W. Roberts, in his memorandum on the general features and medical aspects of the opium habit in India, says that 'it cannot be said to have been adequately proved that moderate opium smoking taken by itself, and apart from its surroundings and from disease or semi-starvation, has any prejudicial effect on health.' The Commission also in paragraph 238 of the Report observe, in reference to the opium habit in Burma, that 'there is no good evidence that smoking is in itself more injurious physically than eating opium, but it appears to be a more seductive habit, and more ruinous to poor men because more wasteful of time as well as of money.'

"4. Opium smoking was no doubt strongly denounced before the Commission by Indian witnesses of all classes, many of whom were not opposed to the use of crude opium in the form of pills as a stimulant or a restorative. In places, however, where opium smoking is the usual habit, and the practice of eating crude opium in the form of pills is rare, the opinions held by many competent observers as to the effects of the two forms of the opium habit differ materially from those which are commonly entertained by the natives of India upon this subject. It appears from the replies received to the interrogatories, issued by the Commission, from the Straits Settlements, Hong Kong, and China, that opium smoking is considered by a large number of trustworthy and competent witnesses, including several medical practitioners and missionaries, to be less injurious than opium eating. In view of the above facts, the Government of India hold that it has not been proved that opium smoking, when practised in moderation, is in itself necessarily injurious. They consider that it is desirable to discourage and discountenance the habit as practised in India, but they are not satisfied that it is necessary to restrict the personal liberty of individuals so far as to prohibit entirely the manufacture and consumption of preparations for smoking, or to treat the act of smoking as a crime.

"5. It may be possible to carry the policy of diminishing the facilities for opium smoking in India somewhat further by suppressing smoking saloons, and, in accordance with the suggestion made by the Commission in . . . . paragraph 195 of their Report, the Government of India propose to now consider this question. All Local Governments and Administrations are accordingly requested to give the subject their careful consideration, and to favour the Government of India with expressions of their opinions as to the possibility or advisability of legislation against the use of premises for this purpose either by the public generally or by so-called clubs."

Bengal Alone Favours Legislation.

Bengal was the sole Local Government that advised legislation. The Lieutenant-Governor's opinion was decided, and it was accompanied with a draft Bill. His secretary wrote as follows (Sept. 5, 1896):—

"The Lieutenant-Governor is strongly in favour of legislation for the suppression of opium-smoking saloons. Such legislation will, he believes, be supported by popular sentiment, which, while condoning, if not approving of, the habit of eating opium, condemns opium smoking as physically deleterious and morally disreputable. Gregariousness in vice is at all times to

be discouraged, and this particular vice is notorious for its criminal associations. It is clear, moreover, from the facts stated in paragraph 159 of the Excise Commissioner's Report for 1894-95, that the practice of clubbing together for the purpose of smoking opium on ostensibly private premises has already arisen in Bengal, and may be expected to spread unless legislative action is taken to suppress it.

"2. As to the form which legislation should take, the Lieutenant-Governor agrees with Mr. Haridas Veharidas in thinking that any law which may be passed should follow the same general lines as the Bombay Prevention of Gambling Act, 1887. It should be observed, however, that the essence of the definition of a gaming-house in that Act is that it is kept for profit or gain. This restriction would nullify the effect of an Act directed against opium-smoking saloons, and would lead to the collection of people in private houses in respect of which it would be impossible to prove that the owner derived any profit from the arrangement. The draft Bill, therefore, which is submitted for the consideration of the Government of India as indicating the kind of measure which appears to the Lieutenant-Governor to be appropriate, follows the analogy of section 141 of the Penal Code, and defines an opium-smoking saloon as a place in which five or more persons, not being members of the same household, assemble for the purpose of smoking opium. The limitation as regards the household is necessary in order to avoid interference with *bonâ fide* opium smoking in private houses by the members of the family. This, as the Opium Commission point out in paragraph 195 of their report, would be regarded as unduly severe and inquisitorial, and could only be made effectual by means of domiciliary visits by the police. The remaining sections of the draft adapt such provisions of the Bombay Gambling Act as appear to be applicable to the case of opium smoking."

DECISION OF THE INDIAN GOVERNMENT.

Having received the replies of the Local Governments and Administrations, the Government of India addressed a Despatch, dated May 25, 1897, to the Secretary of State, setting forth their final conclusions on the subject of opium smoking saloons as follows:—

"5. As regards the question of the suppression of opium smoking saloons, it will be seen from the papers accompanying this despatch that the Government of Bengal is the only Local Government which is in favour of undertaking legislation for the purpose. In Madras, Assam, and Coorg there are no smoking saloons, and their number in Baluchistan is very limited. The rest of the Local Governments and Administrations are unanimous in deprecating, under present circumstances, legislation in the direction suggested.

"6. The views of the various local officers consulted in the matter are much divided. The main arguments put forward in favour of the proposal are that legislation for the suppression of private smoking saloons and clubs is necessary to supplement the prohibition already enforced against the use of shop premises for this purpose; that by isolating smokers it might result in a decrease in the habit of smoking which cannot be so conveniently indulged in in private; and that the habit, being condemned by popular sentiment as morally disreputable, and being associated with the criminal classes, deserves to be discouraged. On the other hand, objections which seem to us very strong are urged by many experienced officers against the adoption of such a measure. It is apprehended that any legislation in the direction proposed would be liable to abuse by giving rise to a vast amount of blackmailing and oppressive domiciliary visits by the police. The existing clubs can be ascertained and watched, and in so far as opium smoking is the luxury of bad characters, their congregation in these places affords an opportunity for the police to keep an eye upon them, which would be lost by their dispersion. Again, in so far as public opinion is adverse to opium smoking, the deterrent effect which it now exercises upon the resort of respectable persons to an opium club would be lost if smoking were only carried on privately; while to compel the smoker to indulge in his own house might put temptation in the way of the members of his family which they would otherwise escape. Lastly, it is argued that, the prohibition against the sale of smoking preparations being as yet only in an experimental stage, it is desirable that a longer trial should be given to it before taking measures for the imposition of additional restrictions upon smoking.

"7. After careful consideration of the whole case and the various arguments adduced, we agree in the opinion of the great majority of the local governments that it is undesirable at present to undertake penal legislation against opium smoking in saloons and clubs. The recent measures taken by us against the sale of preparations of opium used for smoking, supplementary as these were to the previous prohibition of smoking on shop premises, were intended to compel smokers to make private arrangements for the indulgence of their habit, and we hoped and still hope that by this means so much inconvenience would be attached to the practice that it would gradually fall off. It is yet, however, too early to judge of the ultimate effect of this last measure, and we are decidedly of opinion that we should take no further steps until we are in a position to say with certainty whether opium consumption in the form of smoking tends to increase or to decrease under the new conditions. We shall give careful attention to this matter, and if we find that, contrary to our expectations, there is a tendency to increase, we shall of course be ready to reconsider our position.

"8. We may add that the analogy drawn by the Bengal Government and by some officers elsewhere between opium smoking and gambling is in our opinion essentially unsound. Men cannot gamble unless they meet together, whereas in the case of opium smoking prohibition of meeting for the purpose leaves each individual as free as ever to smoke in private."

THE SECRETARY OF STATE'S CONCURRENCE.

On July 22, 1897, Lord George Hamilton replied to the foregoing despatch, confirming its conclusions thus:

"I have fully considered the arguments used by the Lieutenant-Governor of Bengal in his Secretary's letter of September 5 last, but am not convinced that the special legislation therein advocated would be desirable. I therefore concur in your Excellency's decision."

Imperial Parliament.

Thursday, June 30.

HOUSE OF LORDS.

THE NEW LOAN BILL.

The EARL OF ONSLOW, in moving the second reading of the East India Loan Bill, said that it was similar to many other Bills, which during the last quarter of a century had passed through Parliament. When the Bill was before the House of Commons the subject of Indian currency was raised. It was not necessary for him to enter upon that thorny and difficult question because a committee was considering proposals which had been made by the Government of India in reference to it, and the Bill had nothing to do with it. The increased reduction in the value of money had been made use of by many States and corporations in the enjoyment of credit to reduce the amount of interest paid on loans and borrow money at a cheaper rate, and that was one of the objects of this Bill. The extension of the railway system in India was provided for by the Bill. In addition to the expenditure in wages involved by the construction and maintenance of railways in India the provision of easy communication between different parts of the country was of great importance. The calamities of pestilence and famine which used to decimate the population and devastate the country did not do so now to the same extent, with the result that the real problem for Indian statesmen now was what were we to do with the rapidly increasing population of India. He believed that in no way could this be dealt with more satisfactorily than by increased means of communication between different parts of India. The relief of distress in the recent famine was greatly facilitated by improved means of transport by rail. The principal object of the Bill was that the Secretary for India might have a reserve of borrowing power in case of emergency. It was not intended to add to the existing debt of the Government of India more than £2,615,000. When it was remembered that the deficit in the revenue of India during the last three exceptional years amounted to Rx. 24,000,000 and no less than Rx. 18,000,000 of this had been met out of ordinary revenue, it would be seen that the finances of India were in a stable condition. This was due to the marked rise in the exchange value of the rupee. He hoped that, under the circumstances, their lordships would see that this was only a measure of ordinary Indian finance and would not hesitate to give it a second reading. It was well that the Royal assent should be given to the Bill at the earliest possible moment, and if the second reading were now agreed to he would move the suspension of the Standing Orders so that the measure might be passed through all its stages at this sitting.

The EARL OF KIMBERLEY agreed with the noble earl that this was a measure of ordinary Indian finance. It must be perfectly obvious to anyone that it would be in the highest degree unsafe and impolitic to leave the Secretary of State without power to borrow money that might be required. He was glad to know that no part of the money was to be applied to the proposed reform of the currency, and he admitted that it was of the highest importance that the railway system of India should be as far as possible extended.

The Bill was then read a second time, and, the Standing Orders having been suspended, it was passed through all the remaining stages.

Tuesday, July 5.

HOUSE OF COMMONS.

PETITIONS.

East India (Contagious Diseases),—Petitions from Poole, Weston, Edinburgh (two), and Pollockshaws, against State regulation; to lie upon the Table.

THE STANDARD OF POLITENESS.

Mr. HERBERT ROBERTS asked the Secretary of State for India, whether his attention had been drawn to the recent conduct of Lieutenant Rowecroft, a plague officer in the district of Satara, in assaulting Mr. V. A. Sohoni, a master in the Satara High School:

Whether he was aware that the ground of the assault was that Mr. Sohoni did not raise his hand sufficiently high in saluting the officer referred to:

And, whether, seeing that the assault had been admitted and was

...een ... ...ment would take notice ...ent.

G. Hamilton: I regret to say that it is the case that an assault was committed by Lieutenant Rowecroft, while employed on plague duty, upon a Native schoolmaster at Satara, who was similarly employed. The assault consisted in Lieutenant Rowecroft boxing the schoolmaster's ears on the ground that his manner towards him was studiously insolent. The Bombay Government have already taken notice of the incident by remanding Lieutenant Rowecroft to military duty. I understand that the matter is likely to be brought before a Court of Law. In these circumstances I do not at present propose to take any further action.

Wednesday, July 6.

HOUSE OF COMMONS.

PETITIONS.

East India (Contagious Diseases),—Petitions against State regulation; from Edinburgh, Westbourne Park, Weston-super-Mare, and Alloa; to lie upon the Table.

A CASE OF NON-SUPERANNUATION.

East India (India Office, Retirement at 65), On the motion of Lord G. Hamilton a Return was granted for "Copy of Minute by the Secretary of State for India, stating the circumstances under which a Member of his Permanent Establishment has been retained in the Service after he has attained the age of 65."

Thursday, July 7.

HOUSE OF COMMONS.

THE BROTHERS NATU.

Sir William Wedderburn asked the Secretary for India whether he was aware that the moveable property of the Brothers Natu had not yet been all restored to them:

Whether he would cause it now to be restored without further delay:

And, whether he would grant them compensation on account of the illegal detention of their property for so many months.

Lord G. Hamilton: I have no information regarding the details to which the first question refers, but if any part of the property has been illegally attached, it must necessarily be restored; and I am confident that, quite apart from any legal remedies open to the Natu brothers, the Government of Bombay will give full and prompt consideration to any representations made to them on the subject.

THE INDIAN MEDICAL SERVICE.

Captain Norton asked the Secretary of State for India if he would enquire from the Government of India whether any and, if so, what proposals or recommendations had been made as to prolonging the period of Indian Medical Service Officers in Principal Medical Officers' offices to enable them to acquire a sufficient knowledge of military duties before their promotion to administrative military appointments after long years of employment in civil medical billets.

Lord G. Hamilton: The Government of India would forward to me any recommendations they considered necessary or likely to improve the general efficiency of the Medical Service, and I see no reason for making the enquiry suggested.

THE POONA PRESS COMMITTEE.

Mr. Herbert Lewis asked the Secretary of State for India, whether a copy of the Government resolution directing the appointment of a Press Committee for Poona has appeared in the *Gazette of India*.

And, whether he would lay a copy of the Resolution upon the Table of the House.

Lord G. Hamilton: In my answer of the 28th ultimo I have given the hon member all the information I possess on the subject. I have not seen any resolution appointing a Committee for Poona.

LABOUR IMMIGRATION INTO ASSAM.

Mr. Schwann asked the Secretary of State for India, whether he could now furnish members with copies of the Triennial Report on Labour Immigration into Assam, which he received in March, 1897, but which had been withheld from the public until the India Office had received the comments of the Government of India and the local government upon it.

Lord G. Hamilton: No; the matter still stands as it was when I gave my answer to the hon. member on May 9 last.

The following notices of motion appear in the order-book of the House of Commons:—

Mr. Samuel Smith (on going into Committee on East India Revenue Accounts)—To move: That, in view of the poverty of India, aggravated by plague, famine, and war, and the unsatisfactory state of its finances, a more economical administration is urgently needed, also a better system of raising the revenue, and some aid for the country in regard to special expenditure on the North-West frontier.

Mr. Pickersgill,—East India (Penal Code)—That an humble Address be presented to her Majesty, praying that her Majesty will be pleased to disallow the Indian Penal Code Amendment Act, 1898.

Sir Joseph Pease,—Opium—To call attention to the trade between India and China in opium, and to move a resolution.

Mr. Herbert Roberts,—East India (Sedition and Control of the Press)—To call attention to the recent alterations in the Indian laws relating to Sedition and the Control of the Press; and to move a Resolution. [*An early day.*]

Mr. Parker Smith,—East India (Sedition and Control of the Press)—To call attention to the recent alterations in the Indian Laws relating to Sedition and the Control of the Press; and to move a Resolution. [*An early day.*]

ET CAETERA.

The P. and O. s.s. "Oriental," from Bombay, is due in London on July 10. Her list of passengers includes the following names: General E. R. Elles, Sir Richard Udny, Major Mulrong, Surgeon-Lieutenant-Colonel Bomford, Surgeon-Colonel J. Gunn, Surgeon-Captain F. W. Gee, Lieutenant W. S. Churchill, Hon. J. Monteaux, General Sir Bindon Blood, Lieutenant-Colonel and Mrs. Cook, Mr. B. Bolojee, and Mr. Mahomed Ali.

The s.s. "Shannon" (P. and O.) leaves London for Bombay on July 6. Among other passengers are the following: Captain L. M. Foster, Colonel C. C. Pearson, Captain H. Harkness, Major P. B. Taylor, Colonel H. M. Lyttleton, Colonel E. G. Wanchope, Mr. Dayal, and Mr. Basch.

Mr. W. S. Caine, it is understood, will be the Liberal candidate for the Kilmarnock Burghs at the next election.

The Indian secretaryship of the Church Missionary Society has been filled by the appointment of the Rev. G. B. Durrant, who has been a missionary in the North-West Provinces of India for the last twenty-two years.

We greatly regret to hear that it is extremely probable that Mr. Arthur Acland will retire from public life after the present Session. His health has broken down owing to the severe strain which his work at the Education Office imposed upon him.

We welcome *British Indian Commerce*, whose first number appears this month. It is to be "devoted to the general industrial and trade interests of our great Oriental Dependency, and to the mercantile relations between its peoples and the rest of the Empire. It is, and is intended to be, severely non-political, except in so far as trade and mercantile interests may from time to time become questions of political discussion." The first number, which is attractively got up, contains interviews with Sir M. M. Bhownaggree and Mr. Dadabhai Naoroji, with portraits of both.

The Lord Mayor of London, writing (July 1) to Lord Roberts in approval of the Indian Heroes Fund, said: "I feel confident that by the number and amount of their subscriptions my fellow-citizens, not only in London, but throughout the United Kingdom, will conclusively prove to the Indian Army that its deeds of valour do not pass unnoticed in England, but that Native soldiers, equally with their British comrades, may reckon on the gratitude of the nation."

The *Indian Spectator* (June 5) heartily backs the proposal to raise some conspicuous memorials to Mr. Gladstone in Bombay and Calcutta, and, if possible, in other Presidency towns. "The key-note of Mr. Gladstone's political creed was sympathy for the people—special sympathy for fallen nations struggling to raise themselves anew. India is making this attempt, and it is a satisfaction to know that she has, in this, the sympathy and good-will of the bulk of that great Party which has been trained under Mr. Gladstone's animating leadership to systematically encourage and help such attempts. The great apostle of the policy of sympathy with the hopes and aspirations of rising nations should certainly have a standing memorial at the hands of India's sons."

Surgeon-General Alexander Smith, M.D., C.B., honorary physician to the Queen, has been awarded a Good Service Pension of £100 a year. Dr. Smith—who is a son of Mr. John Smith of Culbeuchley, near Banff—entered the Army Medical Department in 1846, and has been on the retired list since Oct., 1884. During his active service of thirty-eight years he took part in three campaigns. He was in the Crimea in 1855, at the siege of Sebastopol and the attack on the Redan of the 18th June, for which he has the medal with clasp and the Turkish medal. He has the medal for the Jowaki Expedition, 1877-8. He served as Principal Medical Officer during the Afghan war, 1878-9-80, was present at the actions of Ahmed Khel and Urzoo, was mentioned in despatches, received the medal with clasp, and was created a C.B. He was appointed an honorary physician to the Queen in 1894.

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